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Council Meeting **Walla Walla, WA**

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Minutes

1. Welcoming remarks from Lieutenant Colonel Edward J. Kertis, Jr., Commander, Walla Walla District, U.S. Army Corps of Engineers.

Lieutenant Colonel Edward J. Kertis, Jr., Commander of the Walla Walla District of the U.S. Army Corps of Engineers, welcomed the Council to Walla Walla. He explained some of the work of the District, which has 700 employees, and Council chair Judi Danielson invited him to organize a presentation on the Corps' mainstem activities at a subsequent Council meeting. He said he would be happy to do so.

Ed Bartlett, chair of the Fish and Wildlife (F&W) Committee, reported that the major topic at the committee's meeting on Tuesday was 2004-2006 mainstem/systemwide project selection. The allocation for the mainstem will be \$31 million, and Bonneville/NOAA Fisheries projects to meet the Biological Opinion will consume \$28 million of the \$31 million, leaving the Council little room to allocate to other projects, he said. The Council will have the mainstem/systemwide projects before it for funding decisions in June, Bartlett noted.

Jim Kempton, chair of the Power Committee, reported that Paul Norman of Bonneville had talked with the committee about Bonneville's "Lessons Learned" paper. Our questions to him went to the "foundation issues," including how the region's Comprehensive Energy Review, Transition Board, and Cost Review recommendations played out in Bonneville's subsequent subscription process. We also talked about the 5th Power Plan and found that the issues that arise with development of the plan take us back to the issues involved in the Bonneville subscription process, he said.

1. Presentation on Combine Hills Wind Project

Don Bain, Aeropower Services

Don Bain of Aeropower Services told the Council construction will soon start on the first phase of the Combine Hills Turbine ranch in Umatilla County, Oregon, featuring 41 1-MW Mitsubishi wind turbines. Aeropower is a small consulting firm; the wind farm is sponsored by Tomen, a global wind development company. Oregon Energy Trust is subsidizing the project.

When built to its full permitted size of 104 MW, the project will occupy less than one-quarter of one percent of the four farms it is sited on, and it will provide “substantial revenue” to the farm owners, as well as the county tax base, Bain said. He called the project “intensely local,” one of the few wind projects that connects directly into the local distribution system and that will serve the people who can see the turbines (PacifiCorp retail customers in Walla Walla and northeast Oregon). “A project can’t be a success unless you’ve got a willing community,” Bain noted.

The site was selected because it has lots of wind and windy land, and there is an absence of environmental constraints, like rare species on it, he explained. Construction of the first phase of the project (41 MW) should be completed this year, Bain said. Why 41 MW? Because the transmission system out of the area is severely limited, and the local system can accommodate that amount; beyond that, upgrading is needed, he stated. This project, and others that could be built in the area, all depend on upgrades to the major transmission system -- the 500-kv John Day to McNary line is a major constraint, Bain said.

Can a single farm owner build a wind system to meet his own needs? Cassidy asked. No one has done that in the Northwest, replied Bain. The biggest issue is that you have to put the turbines where the farmer’s electric load is, and the wind may not be the best there, he said. If the wind is not good enough, a facility won’t pay for itself, Bain added.

Does putting up a facility like this restrict public access? Cassidy inquired. It’s all private land, replied Bain.

Bain advised the Council to “be careful how you apply a risk-management perspective to this resource.” Wind power is a hedge against volatile fuel prices because it is not subject to political forces, he stated. If you start applying risk-management requirements to wind power, like the industry is doing for conventional resources, wind “will come off the table as a risk management tool,” Bain said. If you ask for guarantees on how much a wind farm will produce, “that kind of stuff will make wind uneconomical,” he added.

People have been doing studies and writing about the promise of combining wind power with hydropower in this region since before 1950, according to Bain. The studies said it’s a valid concept that offers benefits, but after 30 years, the studies have “amounted to nothing,” he said. We still don’t have a plan or strategy for how to combine the two resources, and no one’s working on it, Bain stated.

How did the Energy Trust become a funder of this project? Hines asked. The Trust has a subsidy fund, and through it they bought the “over market costs” for the project, Bain replied. The Trust gets the “green tag rights” from the project, he added.

What are the inherent problems with wind and transmission, given that wind can't be scheduled? Hines asked. There are physical and contractual constraints on the lines, responded Bain. We can figure out the physical constraints, but there is no public data base on who has the rights to the transmission lines, he said. It makes it hard to market wind power due to this "pre-existing system of contracts," stated Bain, adding, "don't underemphasize the impact of transmission issues on wind development."

The projects going on in the Northwest now are the "low-hanging fruit" – windy sites near lines that still have some space on them, he said. Bain told the Council that when the Federal Columbia River Power System began, transmission lines were built out to where the dams were. We now have the same opportunity to do that with wind resources, he said.

Karier suggested the Council could look into the wind-hydro integration question as part of the next Power Plan. You could add value to the hydro system and wind resource by strategically thinking about the best ways to combine them, advised Bain.

2. Report by Independent Scientific Review Panel on reviewing subbasin plans

Dr. Richard Williams, Chair, ISRP

Rick Williams, chair of the Independent Scientific Review Panel (ISRP), discussed the panel's review of the draft Clearwater Subbasin Plan, the first subbasin plan to be presented to the Council and reviewed by the ISRP. He used the opportunity to give guidance to all subbasin planners, spelling out some general themes and issues.

To create more consistency and uniformity, the ISRP recommends forthcoming plans be developed using the Council's technical guidelines for subbasin plans, Williams said. He laid out a structure for a subbasin plan, starting with assessment, moving on to vision, objectives, strategy, F&W projects to implement the plan, and then monitoring and evaluation. Williams cautioned against "the assessment trap" – not knowing when to stop assessing the situation. Planners need to go into the assessment with a "clear game plan" and awareness of how much money is available to be spent on it, he said. A plan should explicitly describe linkages, prioritize strategies, set up a broad participatory process, and address significant administrative issues, Williams noted.

The ISRP's conclusion on the Clearwater plan (which covers north central Idaho) is that it is not complete enough to be consistent with the Council's F&W program and "therefore, doesn't constitute a viable subbasin plan," he said. It presents comprehensive information, but fails to make solid linkages; needs to have a more rigorous analysis of limiting factors; and lacks a prioritized framework for objectives and strategies, Williams explained. There's a need for a "fix-it loop" for the subbasin plans after ISRP review has taken place, but I'm concerned that process could take too much time and become a series of iterations for the plans, he added.

We have heard comments that we were tougher on the Clearwater plan than we should have been, but we intend to keep the bar as high for all the plans that come in, Williams stated. Did the Clearwater use the Council's subbasin template? Cassidy asked. I don't know, but I do think

too much of the work on the plan was done “by a consultant who worked too much in isolation,” Williams replied.

The Clearwater planners saw the plan “as a living document that would be reviewed,” said Kempton. By submitting the first plan, it got the ISRP review started and helped make the review process better, including the need to have a fix-it loop, he stated. It wasn’t a failure of the people who developed the plan, Kempton added.

“The Clearwater plan wasn’t a failure by any means” -- it contained a substantial amount of information, and it won’t be that hard to get the plan up to the standards the ISRP wants to see, responded Williams. The fact that the Clearwater participants were able to get a plan out that could go through the review and fix-it loop first was no small endeavor, said Danielson. The ISRP has provided good guidance, and “the Clearwater folks think they can fix the plan,” she said.

3. Council decision on subbasin planning workplans

Lynn Palensky, subbasin planning coordinator

Staffers Lynn Palensky and Peter Paquet presented a series of subbasin planning contracts for Council approval.

Karier moved that the Council authorize the Executive Director to negotiate a contract with Alison Squier in an amount not to exceed \$70,000 for the continued coordination of subbasin planning in the Intermountain province, pursuant to the Council’s Master Contract with Bonneville for subbasin planning and following the Council’s standard contracting policies and procedures. Cassidy seconded, and the motion passed unanimously.

Kempton moved that the Council authorize the Executive Director to negotiate two contracts, one with the Shoshone-Bannock Tribes in an amount not to exceed \$475,000, and one with the Idaho Department of Fish and Game in an amount not to exceed \$225,000 to develop subbasin plans in the Upper Snake Province, for three subbasins: the Upper Closed, the Headwaters, and the Upper Snake, observing the terms and conditions of the Council’s Master Contract with Bonneville for subbasin planning and following the Council’s standard contracting policies and procedures. Cassidy seconded, and the motion passed unanimously.

Kempton moved that the Council authorize the Executive Director to negotiate two contracts, one with the Shoshone-Paiute Tribes in an amount not to exceed \$677,588, and one with the Idaho Department of Fish and Game in an amount not to exceed \$175,000 to develop subbasin plans in the Middle Snake Province, for six subbasins: the Boise, the Payette, the Weiser, the Upper Middle Snake, the Lower Middle Snake, and the Bruneau, observing the terms and conditions of the Council’s Master Contract with Bonneville for subbasin planning and following the Council’s standard contracting policies and procedures. Eden seconded, and the motion passed unanimously.

Eden moved that the Council authorize the Executive Director to negotiate a contract with the Columbia-Blue Mountain Resource Conservation and Development Area, Inc. in an amount not

to exceed \$222,475 to develop a subbasin plan for the John Day subbasin, observing the terms and conditions of the Council's Master Contract with Bonneville for subbasin planning and following the Council's standard contracting policies and procedures. Derfler seconded, and the motion passed unanimously.

Eden moved that the Council authorize the Executive Director to negotiate a contract with the Malheur County Soil and Water Conservation District in an amount not to exceed \$135,176 to develop a subbasin plan for the Malheur subbasin, observing the terms and conditions of the Council's Master Contract with Bonneville for subbasin planning and following the Council's standard contracting policies and procedures. Derfler seconded, and the motion passed unanimously.

Karier moved that the Council authorize the Executive Director to negotiate a contract with the Columbia River Inter-Tribal Fish Commission in an amount not to exceed \$49,953 to provide library services through its StreamNet Library to subbasin planners and to serve as the regional repository for subbasin planning information, observing the terms and conditions of the Council's Master Contract with Bonneville for subbasin planning. Hines seconded, and the motion passed unanimously.

4. Council decision on within-in year project implementation issues

Doug Marker, director, fish and wildlife division; and Mark Fritsch, fish production coordinator.

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

The Methow Valley Irrigation District (MVID) has requested a "scope change" in its rehabilitation project that addresses passage and screening problems at the East Side Canal on the Methow River and the West Side Canal on the Twisp River, explained staffer Mark Fritsch. The MVID proposes to change from an enclosed pipe system to upgraded replacement fish screens, he said. Staff recommends the scope change be approved for the construction of the diversion screens at a price not to exceed \$995,706, Fritsch told the Council. I've included that number as a maximum "sideboard" for the engineers to work within, he said. But staff recommends no further decisions be made on this project until there is an agreement by Bonneville, MVID, the Bureau of Reclamation, and the Washington Dept. of Ecology about final designs and costs associated with the screen replacements, Fritsch added.

Melinda Eden asked if the Yakama Nation approves of the scope change. Yes, we do, replied Paul Ward, interim fisheries manager for the Yakamas. Will the screens be sized to the water right of the MVID? Karier asked. Yes, but the big decision on whether to approve this project going forward will come before the Council in August, replied Fritsch. At that time, when we look at the design, cost, and water delivery questions associated with the project, we can revisit the screen-size issue, said staffer Doug Marker.

Lee Bernheisel, a Methow Valley resident and president of the Okanogan Wildlife League, said the League is in a lawsuit with the MVID over "wasteful water practices." The scope of this project has "dramatically changed, he stated. In 1996, the goal was to improve instream flows,

and now the project doesn't do that, according to Bernheisel. With improved screens, there's a possibility MVID may be taking more water than they do now and that will deplete the supply of the Twisp and Methow rivers, he said.

I thought Bonneville allocated \$2.8 million for this project, but with what's been spent or contracted for, only \$300,000 is left for screens, and now we're asking for screening up to \$1 million, Bernheisel continued. If the Council is going to approve this, a whole new environmental review of the project would need to be done, he stated. In August, the Council will look further at what's been spent and what additional funds are needed, Fritsch said. We'll talk to Reclamation before then about the issue of increased use of instream water, added Marker.

Vaughn Jolley, chairman of the MVID board, said the district had reduced diversions by half on the two canals, resulting in "a substantial savings" of water. We've been labeled "wasteful," but we are one of the most efficient irrigation districts, he added.

Jim Kempton asked if an analysis is being done on what's been spent and issues related to water use by the project. I'll be providing that to you in August, Fritsch replied.

Karier moved that the Council recommend: revising the scope of work for Project 1996-034-01, Methow Valley Irrigation District Rehabilitation, for construction of diversion screens; completing the final design for the project, so the Council may review and approve it before the project goes forward; and retaining the balance of the capital commitment for use in resolving the water quantity improvement elements of the original project. Cassidy seconded, and the motion passed unanimously.

- **Approval to extend additional funding for Coeur d' Alene Tribe Trout Production Facility Project - #1990-044-02 to allow staffing pending the Council's decision on the revised master plan**

Fritsch said the Council is scheduled to make a decision on the master plan for the Coeur d'Alene Tribe trout production facility in August, but in the meantime, the tribe has said it needs additional funding to maintain staffing.

Karier moved that the Council recommend that Bonneville reallocate \$39,988 from capital funds to maintain the Coeur d'Alene Tribe Trout Production Facility, Project 1990-044-02, pending Council decision on the revised master plan. Cassidy seconded, and the motion passed unanimously.

- **Recommendation for Council approval required by the Plateau Province Review for Yakima Habitat Improvement Project (Protect Normative Structure and Function of Critical Aquatic and Terrestrial Habitat - #2002-038-00 or 25100)**

Fritsch presented the Yakima Habitat Improvement project, which he said was a "new start" as part of the solicitation associated with the Columbia Plateau province. The conditions that were placed on this project during the provincial review have been satisfied, and staff recommends the project be allowed to proceed, using already-approved funds not to exceed \$349,000 per year through FY 2004, he said.

Bartlett moved that the Council advise Bonneville that the conditions placed on this project in the Columbia Plateau Province Review have been met, and recommend that Bonneville proceed to contract with already approved funds in an amount not to exceed \$349,000 per year through fiscal year 2004 for the Yakima Habitat Improvement Project, Project 2002-038-00. Cassidy seconded, and the motion passed unanimously.

5. Council decision on Bonneville's request for an expedited decision on mainstem/systemwide proposal 35019

Doug Marker; and Steve Waste, manager, program analysis and evaluation

Bonneville is asking for expedited FY 2003 funding of a Research, Monitoring, and Evaluation (RM&E) proposal from NOAA Fisheries to develop and implement an integrated subbasin-scale and watershed-scale monitoring program for salmonid populations and habitat as called for in the 2000 Biological Opinion (BiOp), Marker said. The work needs to go forward to meet BiOp check-in requirements this September, he noted, adding that FY 2004 funding for the project will be taken up in the regular mainstem/systemwide project selection process in June.

Eden asked if the contract would be written for \$452,500, the initial FY 2003 funding request (to cover Phase I and some work under Phase II), or for the entire projected FY 2003 budget amount of \$905,000. A 12-month contract would be written for \$905,000, but if the Council doesn't approve FY 2004 funding for the project, the contract would be terminated, replied Marker. I want the Council's motion on this to say that, Hines stated. This contract will have a spending limit for FY 2003, said Therese Lamb of Bonneville.

Hines asked if the Fish Committee had discussed "the conflict of interest associated with this project." [That NOAA Fisheries is the recipient of the funds, while also being the agency that sets BiOp requirements.] We deferred that discussion until it can take place in a broader context, replied Ed Bartlett. Lamb said Bonneville and NOAA Fisheries are to meet to discuss "roles and responsibilities."

The conflict-of-interest issue needs to be resolved before we make a decision in June, stated Hines. Kempton asked Lamb to report back from the meeting with NOAA Fisheries with "written findings," not just an oral report. My support for this project will fade if I don't see a coordinated effort to bring in F&W managers of tribes and the states -- they need to take part in defining the scope, he added.

Karier said a lot of controversy has surrounded this project and asked staff to address both a long-term budget for RM&E projects, as well as the conflict-of-interest question. The Council passed a motion supporting the FY 2003 funding, but conditioning FY 2004 spending on the project on an ISRP review and subsequent Council decision. Cassidy told Bonneville, as we get into the balance of the mainstem project funding, my goal is to "skinny down" all the projects to make room for other projects to get funding. "This project may be one I'll want to hone down," so I'd recommend you get all the information on it to us to inform our future decisions, he said.

Bartlett moved that the Council recommend that Bonneville provide expedited funding for Proposal 35019, a monitoring and evaluation project, subject to a three-phase approval process;

specifying that the first phase, with a budget not to exceed \$452,500 in fiscal year 2003, is to cover completion of the study design and ISRP review of the complete study proposal, and that further work on the project is to depend on an affirmative outcome from that review and on a subsequent decision by the Council. Karier seconded the motion.

In the discussion, Marker suggested amending it to say that “further work on the project *and any spending in FY 04*, is to depend on an affirmative outcome from that review and on a subsequent decision by the Council.” Bartlett and Karier accepted the proposed amendment to the motion, and the motion passed unanimously.

6. Presentation on Bonneville’s Fiscal Year 2004 budget and discussion of opportunities for fish and wildlife funding in future years’ federal agency budgets

Mark Walker, director, public affairs division; and Doug Marker

“Bonneville is basically a \$4.3 billion agency,” staffer Mark Walker noted as he described the contents of the FY 2004 budget Bonneville submitted to Congress. “Bonneville has grown exponentially in the last few years,” he said. “The energy crisis has changed the face of Bonneville’s business,” Walker observed, pointing out that increases in the agency’s FY 2004 budget stem mostly from costs Bonneville has incurred to augment its system. Transmission costs have risen due to the need for Bonneville to upgrade its system, he said.

FY 2002 revenues by customer group stacked up like this, according to Walker: 52 percent from public utilities; 11 percent from the IOUs; 2 percent from the DSIs; 19 percent from sales outside the Northwest; and 16 percent from wheeling sales and other things, like fish credits.

His chart of Bonneville’s 2004 budget showed Power Business Line costs (capital and expenses) at about \$1.55 billion, transmission at \$735.9 million, the agency’s Treasury payment at \$717 million, and private debt, mostly for Energy Northwest, around \$549 million. Those four budget categories are Bonneville’s fixed costs and limit the agency’s flexibility, Walker said. He pointed out that the top two costs in Bonneville’s FY 1998 budget were the Treasury payment and debt for WNP 1, 2, and 3, and Trojan.

Karier noted the Treasury and WNP debt were higher in 1998 than in 2004. Is it because of Energy Northwest debt financing? he asked. It may have to do with refinancing, and also, Bonneville has advance paid some Treasury debt, Walker replied.

The prepayment of debt was done by extending the life of the debt, but the debt service remains the same, said Gene Derfler. Actually, Bonneville has increased debt service because it didn’t pay back the amount it was supposed to have paid, he added.

Walker said Bonneville’s total long-term outstanding debt is \$12.939 billion, with an average interest rate of 6.1 percent. The amount of the long-term debt associated with generation is \$9.961 billion, at an average interest rate of 6 percent, he indicated. Debt for transmission totals \$2.978 billion at a 6.5 percent rate, Walker noted. “Treasury is making a good return on these investments,” he said.

Staffer Doug Marker laid out some ideas on how the Council could help secure federal funding for subbasin planning and other F&W activities in the Northwest in the future. The subbasin plans will produce “an improved documentation of regional needs,” and the Council can play a key role in gathering the priorities from all the subbasin plans into a “coherent regional implementation strategy” and make the case for increased funding from federal agencies “beyond Bonneville,” he said.

The Council should “toolbox” for the subbasin plans, Marker suggested define an implementation. For example, if a subbasin plan calls for screening irrigation diversions, sources of funding could include UWFWS, Reclamation, and the Mitchell Act, he said. The Environmental Protection Agency has a database of funding sources for habitat and clean water efforts, and the U.S. Dept. of Agriculture has a Conservation Reserve Enhancement Program that funds activities aimed at reducing sedimentation, Marker pointed out.

We’d like to build a comprehensive reference point so people working on subbasin plans won’t have to “slog through everything” to find funding sources, he explained. We could help subbasin planners “get a jumpstart” by identifying various sources of funding and what it takes to qualify, Marker said. We could also provide information on funding priorities at different federal agencies and how the decision-making process occurs, for example, at the central office or the regional level, he added.

7. Report by Scientific Applications International Corporation (SAIC) on its report on regional fish and wildlife data management

Peter Paquet, manager, wildlife and resident fish; Bill Samuels and Stewart Toshach, SAIC

John Stein of the NOAA Fisheries Science Center kicked off a panel presentation on a proposal to create a comprehensive information system to support F&W management in the Columbia River Basin. He introduced Bill Samuels of Science Applications International Corporation (SAIC) of Brattleboro, Vermont, a company hired to do an assessment of data needs in the basin.

Samuels explained that SAIC had conducted interviews and focus groups, and as a result, heard about the “frustrations” of data managers in the region. Among the problems identified were difficulty in finding and accessing “relevant information resources,” incomplete or inaccurate information resources, “no clear-cut information pathways to facilitate easy evaluation of recurring topics,” and incompatible geographic scales and units, he said.

There is no single integrated information system in the basin, there are no common protocols for field collection of data, data are of variable quality, and there are data gaps, according to Samuels. Most of the data needs fall into the environmental and fish categories, he said.

Samuels introduced the “Columbia Basin Cooperative Information System” (CBCIS), which would be a “multi-state, bi-country, multi-agency information management system to house and disseminate information” on the basin. CBCIS would “provide a means of accessing, exchanging, and analyzing data and information across a spectrum of information types,” he indicated. It would offer managers a tool to support adaptive management and decision making regarding key planning efforts and emerging issues and “address the institutional arrangements,

policy requirements, agency communication and coordination needs, and standards and protocols” needed to share and integrate information resources from disparate sources, Samuels said.

There was strong support for the development of CBCIS from the people SAIC interviewed, he noted. But if CBCIS participants do not agree on common approaches to “some fundamental topics affecting raw and processed information and other approaches that cut across all levels of the information spectrum,” the integration and sharing goals of CBCIS can’t be realized and “business as usual” will remain the norm, Samuels cautioned.

SAIC has experience building comprehensive information systems, he said, citing work done in the Chesapeake Bay area, Cook Inlet in Alaska, and Lake Tahoe. We’d like to bring that experience to building CBCIS, Samuels added.

Stewart Toshach of NOAA Fisheries spoke on behalf of the project team that oversaw the SAIC assessment, indicating the team is looking for Council support so that the next steps SAIC identified to implement “the CBCIS vision” can be taken. He suggested a phased approach to building the information system, starting with releasing the SAIC report for public comment, drawing up a new Memorandum of Agreement for cooperative information system development that would involve agencies beyond NOAA Fisheries and the Council, and establishing an administrative framework and “figuring out how to pay for it.” We want to consult with stakeholders in the basin, continue coordination with other regional information management programs, and report back on the possibility of proceeding further with CBCIS, Toshach said. We’ll staff Phase I using Council and NOAA Fisheries personnel, he added.

“This looks like a mammoth project” – what timelines do you envision? Jim Kempton asked. We could come back with the results of the Phase I effort within four to six months, replied Toshach. One of the promises of this work is the opportunity to standardize protocols and focus on a cost-effective way to solve some of the many problems with environmental and fish data, stated Karier.

We’ll take public comment on SAIC’s report, which is on the Council’s website, said staffer Peter Paquet. We propose to come back to the Council, maybe in June, to report on what we think it would cost to continue Phase I, he added.

Given the financial dilemma the region is in, it may be best to look at working through some existing efforts, such as those of the Fish Passage Center or the Pacific States Marine Fisheries Commission, said Cassidy. To have the Council endorsing “a huge, new collaborative system” won’t fit with the financial situation we are facing today, he noted.

You could look at this system as the “glue” that makes all the existing systems fit together; for example, in the matching of protocols and standards, said Toshach. One of the biggest issues is that many salmon recovery people look at data, and if they like the results, “it’s great data,” and if they don’t, “something’s wrong with the data,” Cassidy commented. The theme of the system needs to be that everyone understands that this is the data we are going to operate by, he added. There’s a lot of data out there, but the question is, how do you make everyone stand up and say, “we’ll operate by this,” Cassidy said.

We have to resolve the policy differences that divide us, said David Johnson of WDFW. This is about the data that is used in the different models, not about the models, said Stein. Bruce Schmidt of StreamNet indicated that the CBCIS proposal is to “systematize a lot of building blocks that exist,” like the “edge-matching of maps.” We’ll develop a structure that brings efforts together in constructive ways -- it isn’t data, but a structure to integrate data, he said.

I assume we are talking about a data system, not an information system that “would carry interpretive conclusions,” said Kempton. Users would have to draw their own conclusions from the data, responded Toshach. “This seems like a daunting task,” and it could be “monolithic” in terms of the dollars required, observed Kempton.

Samuels explained more about how the proposed system would work, and Kempton said it is “a noble goal.” Before you integrate the data, if you focus on quality control and the uniformity of data, you would be accomplishing a great deal, Melinda Eden said. “I’m impressed by this report,” she added.

8. Presentation on Mid-Columbia Habitat Conservation Plans (HCPs)

Bruce Suzumoto, manager, special projects; and John Shurts, general counsel; Shaun Seaman, Chelan County Public Utility District; and Bob Clubb, Douglas County Public Utility District

Our plan for mainstem hydropower operations calls for the Council to review the Habitat Conservation Plans (HCPs) for the Mid-Columbia hydro projects and decide if the HCPs are consistent with that plan, Tom Karier said. As part of our review, we have asked Mid-Columbia PUD representatives to give us a status report on the HCPs, he stated. “They’ve made great progress on them,” Karier noted, adding that the Council intends to vote on whether to include the HCPs as part of the mainstem plan at its June meeting.

Bob Clubb of Douglas County PUD gave an overview of the origin and evolution of the HCPs, the “2002 Anadromous Fish Agreements and Habitat Conservation Plans for the Wells, Rocky Reach, and Rock Island Hydro Projects,” noting that the work began in 1993, and a draft EIS was issued in 2000. We were surprised to receive “substantial and critical comments” on the EIS, he stated, which led to a series of consultations and meetings with agencies, tribes, and others to resolve the issues they had raised. We reached agreement in March 2002 and produced a final EIS that December, Clubb said.

The purposes of the HCPs are to: avoid Endangered Species Act (ESA) listing; if listings occur, to allow the dams to operate; and to satisfy FERC requirements, he explained. The species covered are spring, summer, and fall chinook salmon; sockeye; coho; and steelhead, Clubb said. Parties to the agreements include NOAA Fisheries, U.S. Fish and Wildlife Service (USFWS), the Washington Dept. of Fish and Wildlife (WDFW), the Colville Tribes, Chelan and Douglas PUDs, and Douglas power purchasers, he noted. Three parties still considering whether to sign are the Umatilla Tribes, Yakama Tribes, and American Rivers, according to Clubb.

The agreements have a 100 percent “No Net Impact” standard for each species affected by the dams, he said. The standard calls for 91 percent combined adult and juvenile survival to be

achieved by improvement measures carried out within the geographic area of the project, and for 9 percent compensation for unavoidable project mortality to be provided through habitat restoration programs (7 percent hatchery and 2 percent tributary), Clubb explained. In the past three years, juvenile survival at Wells has been 96.2 percent, he pointed out, adding, “we’re proud of that.”

We expect NOAA Fisheries to issue incidental take permits under the ESA for the projects in July, after which we will submit the HCPs to the Federal Energy Regulatory Commission (FERC), Clubb said. After FERC approves them, the HCPs will be incorporated in the project licensing agreements, he noted.

Are you doing relicensing now? John Hines asked. The license for Wells expires in 2012, so we plan to start the relicensing process in early 2005, Clubb replied.

Shaun Seaman of Chelan County PUD explained how the HCPs match up with the Council’s mainstem program. The HCPs address mitigation at the dams and off-site mitigation at hatcheries and in the tributaries, which are also covered in the Council’s fish and wildlife (F&W) program, he said. Seaman pointed out a similar emphasis on maximizing fish survival through protection, mitigation, and enhancement; balancing environmental and social concerns; and carrying out F&W stewardship responsibilities at the least cost to the region and ratepayers.

We will provide \$46 million for tributary offsite mitigation, to fund projects for the protection and restoration of habitat in the Columbia River watershed, he explained. We see a good cooperative effort on tributary issues and expect to be working with local groups and subbasin planners funded through the Council’s program, Seaman said. We also have a \$600,000 assessment fund that will be used to make sure our tributary efforts are effective and that the money is being spent well, he pointed out.

Seaman said the HCPs’ hatchery compensation plan includes a monitoring and evaluation component that will be evaluated every five years. Our hatchery efforts are aimed at not impacting wild stocks, a goal shared by the Council’s F&W program, he stated.

These HCPs are very complementary to the Council’s plan and goals for fish recovery, and they help focus salmon recovery in that part of the basin, said Karier. The approach is also innovative – “it’s a good model, and we can all learn from it,” he added. Also, the HCPs have a built-in incentive to encourage experimentation, which matches up with the Council’s mainstem plan, with its emphasis on experimentation, Karier said. He noted that the Council is co-sponsoring a “Hydropower and Fish Survival Tools” conference in Wenatchee in June, a “first-of-a-kind effort” to bring hydro plant operators together to share information on what they are doing with fish recovery.

I will urge the Council to support the HCPs when we vote next month – they are central to what we are trying to achieve in Washington State, said Larry Cassidy. “I take my hat off to the hard work you’ve done to build local ownership of salmon and steelhead recovery,” he stated. “That’s what the Council is trying to achieve,” Cassidy added. “These HCPs are futuristic and a good way to go, in my opinion,” said Council chair Judi Danielson.

John Smets of Aurora, Oregon, asked the Council's opinion on fish kills of surplus fish that "were notorious" in the newspapers. You want to increase fish, but are they to be returned only to be killed? he asked. The policy of whether to kill excess fish is not something the Council deals with, replied Cassidy, advising Smets to direct his inquiry to state fisheries agencies. Smets said he felt there hadn't been any increase in fish in the Yakima River for 30 to 40 years. Spring chinook adults have increased; in fact, the Yakima was open for spring chinook and coho fishing for the first time after many years, responded Cassidy.

9. Council decision to release draft Fiscal Year 2005 and revised Fiscal Year 2004 Council budget

Jim Tanner, administrative officer

Staffer Sharon Ossmann said staff is recommending that the Council approve the release of its draft FY 2005 budget and revisions to the FY 2004 budget for public comment. She said the written comment period on the draft budget would take place between May 7 and July 3, 2003, that oral comments would be taken at the Council's June meeting, and that adoption could take place at the July meeting.

Karier moved that the Council release for public comment the draft FY 2005 budget and revisions to the FY 2004 budget, as presented by staff. Cassidy seconded, and the motion passed unanimously.

10. Update on Biological Opinion litigation

John Shurts

Staffer John Shurts said he had just learned the Federal District Court had ruled in litigation involving the Biological Opinion. Until more details on the decision are available, he suggested withdrawing this item from the agenda, and the Council concurred.

11. Update on federal electricity legislation

Mark Walker

The Senate Energy Committee has passed an energy bill, as has the House of Representatives, and both pieces of legislation are similar, reported Walker. That has increased the chances of a bill getting through the Congress, he said. The Senate bill is expected to go to the floor this week, and while Republicans appear to want to move quickly, Democrats want to spend some time on environmental issues like global warming and renewable energy, according to Walker.

He compared the electricity provisions of the House and Senate bills. The Senate bill has a provision preventing FERC from enacting Standard Market Design before July 1, 2005, but the House bill doesn't, Walker pointed out. The provisions in the bills for RTOs are generally the same, but the Senate bill also requires FERC to convene regional dialogues "to assuage regions like the Northwest that have concerns," he said.

The two bills have similar provisions for native load, and both would repeal PUHCA, Walker noted. Many Democrats are concerned the repeal could give large companies “license to gouge consumers,” he said.

The House bill has a transmission siting provision authorizing FERC to issue permits for construction in “interstate congestion areas” and overrule states on siting decisions, but the Senate bill does not, Walker continued. Both pieces of legislation are the same on reliability, relicensing, and consumer protection, including prohibitions on practices like “round-trip trading” and “slamming and cramming,” he said. Neither bill has a Renewables Portfolio Standard, but there will be an effort to add one on the Senate floor, Walker predicted.

He noted that Oregon Senator Ron Wyden is planning to bring an amendment to the floor that would give Bonneville the authority to extend loans to those seeking to do reforestation for carbon sequestration. Even though these would be loans, there is a question about where that money would come from and how it might affect the Council’s F&W program, Walker said. It probably bears our watching, he added.

12. Council Business

- **Public comment on the Coeur d’Alene Trout Production Facility Issue Paper (Council document 2003-03)**

The opportunity for public comment was offered, but there was none.

- **Council letter on implementation of mainstem Program amendments**

Marker explained that he and Danielson had discussed the need to meet regularly with federal agency executives on issues related to the implementation of the Council’s amendments to the mainstem section of its F&W program. He said they recommend sending a letter to establish an “executive coordinating committee” that would meet periodically “to see how we are doing.” Staff plans to present a specific plan for mainstem implementation to the Council at the June meeting, Marker indicated.

Hines questioned whether setting up this process would jeopardize activities planned for this summer. If we institute a process that won’t have an outcome until June or July, “this summer will be shot,” he said. While the Council isn’t finished with the mainstem amendments until it adopts findings, discussions on implementation can begin now, Shurts said. I would like to make sure this letter doesn’t signal we aren’t interested in moving ahead on projects that are ready to go, Hines stated.

The Council agreed to send a letter to Bonneville, the Corps of Engineers, Bureau of Reclamation, NOAA Fisheries, and the U.S. Fish and Wildlife Service seeking their participation in an “executive coordinating committee” to design and monitor the sequence of decisions needed to implement the Council’s mainstem amendments, including specific experimental operations to improve survival of listed and non-listed species and evaluations of opportunities to find increased efficiencies in mainstem operations for fish passage. A new draft of the letter, with language changes recommended by Council members, will be circulated for approval on Monday, Danielson said.

– **Approval of minutes**

Karier moved that the Council approve the minutes for the April 8-10, 2003 meeting. Cassidy seconded, and the motion passed unanimously.

Approved June 12, 2003

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Vice Chairman

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