

**W. Bill Booth**  
Chair  
Idaho

**James A. Yost**  
Idaho

**Tom Karier**  
Washington

**Dick Wallace**  
Washington



**Bruce A. Measure**  
Vice-Chair  
Montana

**Rhonda Whiting**  
Montana

**Melinda S. Eden**  
Oregon

**Joan M. Dukes**  
Oregon

## **Council Meeting Spokane Washington**

**August 12-14, 2008**

### **Minutes**

Bill Booth called the meeting to order at 8:40 a.m. on August 12<sup>th</sup> and adjourned it at 11:28 a.m. on August 14<sup>th</sup>. All members were present.

#### **Council Work session on Fish and Wildlife Program amendments:**

Tony Grover, director, fish and wildlife division.

Council chair Bill Booth kicked off a work session on the draft fish and wildlife program by noting the goal is to get the document released to the public in early September. He said a final review of the draft, including the executive summary and introduction, would take place in a teleconference on August 28.

The Council agreed to request an "updated recommendation" from the Affiliated Tribes of Northwest Indians (ATNI) for tribal representatives to serve on the ISAB Oversight Panel.

As for the Independent Economic Advisory Board (IEAB), the Council decided not to put any language about the IEAB into the program, but to make an effort over the coming year to determine the needs an economic advisory panel could meet and make a decision after that.

Booth asked staff to redraft the section dealing with science panels for further review.

Staffer Patty O'Toole pointed out the biological objectives section of the draft says the Council accepts the goal of increasing adult salmon and steelhead runs above Bonneville Dam by 2025 to 5 million annually. This goal was the subject of some discussion at the last meeting, she noted.

It is unclear whether the 5 million means wild fish or harvested fish or what -- it raises a lot of questions, said Karier. He suggested striking the language saying the Council accepts that goal, and recommended the program call for the Council to work with fish and wildlife agencies and tribes to see if a set of biological objectives should be developed for the program.

Booth called for a vote on Karier's suggestion to delete the language in the program that says the Council accepts the 5 million goal on an interim basis. The motion passed, with the Oregon members voting no.

The Council took up whether the program should endorse the 2 to 1 crediting ratio for wildlife mitigation habitat units. Dukes said it should, as did Eden. My feeling is that the issue will get resolved in negotiations with Bonneville anyway, said Booth.

Karier said he favors language that says the Council recognizes the controversy over the crediting ratio and will conduct a process to resolve the deadlock over the ratio. Measure said the 2 to 1 ratio should be maintained for the present, and Whiting agreed.

Karier argued against including the 2 to 1 ratio, noting that estimates of wildlife losses related to the ratio are sometimes wrong. He suggested, if the program retains the 2 to 1 ratio until a regional process resolves the issue, it should say: "the ratio only applies when loss estimates are not inaccurate due to stacking." Stacking refers to using multiple target species as indicators for the same habitat type, according to a staff document.

Wallace suggested new language that says the Council will work with BPA and the managers to address loss assessments and crediting to develop a comprehensive agreement on the crediting ratio and strategies that will allow parties to reach long-term settlement agreements. Eden suggested that process be given a one-year deadline. The Council accepted Wallace's language and added the one-year deadline.

Booth asked if the Council wanted to include the sentence proposed by Karier that said "the 2 to 1 crediting ratio only applies when loss estimates are not inaccurate due to stacking." Oregon opposes that, Eden said. This language could limit folks who haven't been mitigated, added Dukes. The Council voted to include the sentence from Karier. Oregon's members voted no.

Booth asked if Council members favored keeping the 2 to 1 ratio in the draft program. I don't support that, but we can include it in the draft sent out for comments, said Karier. The Council decided to do that.

In the section on operational losses and wildlife mitigation, staff proposed language that says: "revised subbasin plans will serve as the vehicles to provide mitigation for any identified direct operational losses, and for secondary losses to wildlife due to declines in fish populations resulting from hydropower development."

Wallace suggested a public process to "tweak" the summary tables to make them more useful could begin during the comment period on the draft program, so the tables could be finished by December. Dukes said she liked the template for the summaries CBFWA provided. Why not just use the CBFWA template? she asked. Some recovery boards have told us they want to edit the template, but what the Council sends out for review will be based on what CBFWA supplied, replied Grover. Staff agreed to rework the section to clarify the Council's intent with respect to the summary tables.

The Council approved new language in its "vision" statement saying that "the development and operation of the hydro system is not the only human cause of adverse effects to F&W" in the basin. In the planning assumptions, the program now says "the hydroelectric power system is

only one factor in the loss of F&W in the Columbia River Basin." And it also says: "the 'nexus' to the hydro system that allows a measure to be an appropriate part of the program is whether the measure will provide protection or mitigation benefits for F&W adversely affected by the hydro system, benefits that can be said to compensate for effects not already mitigated." The new language also notes "the extent of BPA's funding obligations in any particular rate period will be determined through the F&W program's implementation provisions."

The Council also approved, in a planning assumption involving the hydro system, a statement saying that efforts to optimize the survival of focal fish species should "include re-establishing natural river processes to the extent feasible and consistent with the Council's responsibility for maintaining an adequate, efficient, economical, and reliable power supply."

On climate change, the Council agreed to language that says "the Council acknowledges that global climate change is not directly caused by the Federal Columbia River Power System." A lot of activities, such as industry and energy production, do affect climate change, said Eden who suggested the inclusion of the word "directly" in the sentence. The hydro system contributes to reductions in climate change -- that's the real point, observed Karier.

In a new section dealing with non-native species, the Council agreed that its resident fish substitution strategy should require an environmental risk assessment for all projects that could introduce or enhance non-native species.

Staff proposed language that says the Council urges state agencies to "relax or eliminate" fishing regulations that may be enhancing populations of non-native species, especially those that directly or indirectly interact with juvenile and adult salmonids. So the Council will encourage state fish and game folks to limit the harvest of non-native species like bass and walleye, but we allow the harvest of endangered species like salmon, said Yost. That doesn't make sense, he stated.

The idea is to relax or eliminate the limits on how many of the non-native fish "you can whack," said Wallace. After a discussion of what could be recommended to state agencies about fishing regulations, Booth asked staff to rewrite the section "to clearly send the message" we are concerned about the expansion of non-native species that could have a harmful effect on salmonids.

In a new section on ecological provinces, the Council agreed to delete language about province-level biological objectives. We need to decide if we are going to do province-level objectives -- we've put it off for eight years, said Eden. If we aren't going to do them, why should the program discuss their relation to subbasin plans? she stated.

At the end of the work session, staff had a long list of sections to be reworked, as well as an executive summary and introduction to write. Booth said the Council would review what's left at the conference call August 28, which would be followed by a vote to release the draft program. Then there will be a 60-day comment period, he noted. "I think we are on track and making good progress," Booth summed up.

## **Reports from Fish and Wildlife, Power and Public Affairs committee chairs:**

Rhonda Whiting chair, fish and wildlife committee; Melinda Eden, chair, power committee; and Dick Wallace, chair, public affairs committee.

Rhonda Whiting reported that the Fish and Wildlife (F&W) Committee discussed within-year project funding requests and approved four of them.

Melinda Eden reported the Power Committee discussed the treatment of climate change in the Sixth Power Plan. She said the committee acknowledged the power sector isn't the only contributor to greenhouse gases and that the electricity sector is not the only one responsible for meeting the targets. We also talked about resource adequacy and had a presentation on the regional portfolio model, Eden stated.

Dick Wallace reported the Public Affairs Committee discussed the outreach strategy for the F&W program, the Council quarterly, and the upcoming Congressional delegation visit.

## **1. Presentation by Chelan Public Utility District on Chicago Climate**

### **Exchange membership:**

Tracy Yount, Environmental Affairs Director, Chelan County PUD

"We are here to talk about the intersection between our Endangered Species Act (ESA) obligations and our power activities, and how they relate to the new climate change debate," said Tracy Yount of Chelan County PUD. He described the PUD's Habitat Conservation Plans (HCPs), which established goals for meeting the utility's ESA obligations.

Hydro has a unique capability to firm wind and solar power, and that's an important attribute, Yount said. We are investing a lot in increasing our power production, and the climate change debate is spurring the demand for more carbon-free power, he noted. So if we produce one additional megawatt of hydropower, that's a megawatt that does not have to come from coal or natural gas, Yount stated.

Our HCPs allow us flexibility in how we reach our ESA goals, and that flexibility is what created the opportunity for our participation in the Chicago Climate Exchange (CCX), he said. The CCX is an exchange, like the New York Stock Exchange, which trades in emissions allowances, noted staffer Terry Morlan.

We were the first utility to approach the CCX and propose to be an offset provider, said Suzanne Grassell of Chelan PUD. We developed three principles to guide our activities, she explained. The first principle is: hydropower is renewable and should be included as an eligible renewable resource under a national renewable portfolio standard.

Grassell said the second principle is: demonstrable increases in incremental hydropower, including equipment and operational efficiency improvements, should be encouraged as "offsetting" greenhouse gases. We define incremental hydropower as any additional amount of power achieved with the same amount of water, Yount noted.

Our third principle, according to Grassell, is: emissions legislation should credit utilities for their past accomplishments in renewables, energy efficiency, and customer conservation and support the development of new technologies. Getting such credits would prompt more utilities to do more of these kinds of activities in the future, she said.

The CCX is North America's only, and the world's first, global marketplace for integrating voluntary legally binding emissions reductions with emissions trading and offsets for all six greenhouse gases, Grassell stated. Chelan PUD is an "offset provider" member of the CCX, which defines, verifies, and tracks offsets provided by its members to make sure they actually occur, she said.

Offsets from renewable energy displace greenhouse gas emissions from fossil-fuel plants, and the CCX approves offset providers and projects, Grassell explained. Eligible renewable projects include wind, solar, hydro, and biofuel, she noted. Since we were the first hydro provider approved, the CCX had to develop a way to verify our hydro offsets, Yount pointed out.

We are the first hydropower offset provider to be approved in the United States, according to Grassell. The CCX board approved a portion of Rocky Reach's hydro as a tradable offset in 2007, and we made our first trades this January, she reported.

Our view is, why not optimize the system we have, as long as we meet our ESA obligations, Yount summed up. We plan to invest all the revenue we make from sales through the CCX into system efficiency improvements, conservation, and creating more green power, he noted.

## **2. Council decision on quarterly review of within-year project funding adjustments:**

Mark Fritsch, manager, project implementation.

Staffer Mark Fritsch presented a request for the Council to approve four within-year project funding requests and said the F&W Committee had approved them. The projects are the Scotch Creek Wildlife Area, the Columbia Basin Pit-Tag Information System, a Willamette Basin Mitigation project, and the acquisition of a conservation easement for upland prairie and oak habitat in the Willamette Subbasin.

Bruce Measure moved that the Council recommend that BPA fund four of the within-year project funding requests, as presented by staff, in total budget amounts of \$195,411 in expense and \$1,414,658 capital funds in FY 2008 and \$122,315 in FY 2009 expense funds, to be added to the FY 2008-09 funding recommendations. Eden seconded, and the motion passed.

## **3. Council decision on Step review of Klickitat River Anadromous Fisheries Master Plan (YKFP-Klickitat Design and Construction Project #1988-115-35):**

Mark Fritsch; Dave Fast and Chris Fredericksen, Confederated Tribes and Bands of the Yakama Nation.

Fritsch presented a request for the Council to approve the Klickitat River Anadromous Fisheries Master Plan to proceed to Step 2 activities and call for additional information to be developed to address the issues raised by the Independent Scientific Review Panel (ISRP) for consideration during the Step 2 review. Dave Fast, representing the Yakama Nation, described the history and development of the Master Plan, recent activities of the Yakima/Klickitat Fisheries Project (YKFP), and proposed habitat actions under the Master Plan.

Chris Fredericksen of the Yakama Nation discussed the species involved, pointing out that all stocks have existing artificial production. He described objectives and strategies and the types of hatchery programs. What's your measure of success for integrated hatcheries? Karier asked. It comes down to having the capability to monitor the status of your native population, replied Fredericksen. All we can do is stock recruitment analysis at this point, he added.

Measure moved that the Council recommend that BPA fund the Step 2 activities identified in the Yakama Nation's Klickitat River Anadromous Fisheries Master Plan and call upon the project sponsor to provide additional information that addresses the issues raised by the ISRP, identified in the staff's memorandum. Karier seconded, and the motion passed.

#### **4. Presentation on Independent Science Advisory Board Report on Non-Native Species:**

Tom Poe, member, ISAB.

Tom Poe of the Independent Scientific Advisory Board (ISAB) presented findings from the ISAB's report on "Non-native Species Impacts on Native Salmonids in the Columbia River Basin." The purpose of the report was to document biological impacts and risks to salmonids from non-native species and recommend strategies for controlling non-natives, which include carp, American shad, bass, channel catfish, and walleye, he said.

The ISAB recommends that the Council and F&W agencies elevate the issue of non-native species effects to a priority equivalent to that of habitat loss and degradation, climate change, and human population growth and development, Poe said. The ISAB recommends more exploratory surveillance and monitoring and better enforcement of federal and state policies regarding non-native species, he continued.

Poe pointed out that fisheries agencies in Washington, Oregon, and Idaho have adopted management policies that in some cases seem aimed at perpetuating or even enhancing populations of these introduced predator species. The ISAB recommends the Council urge these agencies to relax or eliminate fishing regulations that may be enhancing non-native species populations, he stated. Other ISAB recommendations include increased research, raising public awareness of the problem, more habitat restoration for native species to equip them to compete with non-native species, and revising the subbasin plans to be sure they address non-native species threats, Poe said.

The Council also asked the ISAB to make recommendations on the use of non-native fish in resident fish substitution projects, he stated. The ISAB recommends that all project proposals that have selected a non-native species for substitution include an environmental risk assessment

of the potential negative impacts on native fish species, Poe said. A template for such assessments will need to be developed, he added.

Brian Lipscomb of the Columbia Basin Fish and Wildlife Authority (CBFWA) said CBFWA applauds the ISAB for its work to help with this "complex and difficult issue." The report raises significant issues, he said, pointing out that some non-native species have "very popular fisheries." In some cases, these fisheries are getting "a national following," Lipscomb noted, adding that he has seen publications that ask: "within the next one or two years, will the record walleye come out of the Columbia?"

You need to hold up some scientific evidence before these fishermen and fisherwomen, he said. Lipscomb pointed out there will be a workshop with BPA September 24 to look at the issue as a limiting factor in the recovery of salmonids in the basin.

Environmental risk assessments for resident fish substitution projects need to be done, he said. But there are unique situations across the basin, and trying to come up with "a cookie-cutter risk assessment tool" won't be easy, Lipscomb stated. CBFWA will try to help, he added.

Staffer Jim Ruff agreed that walleye and bass from the Columbia Basin are gaining national attention. If more fishermen start coming out here from the Midwest and other areas, where there are zebra and quagga mussels, it will hard to keep those mussels out of our waters, he noted.

## **5. Council Business**

### **– Financial disclosure statements**

Staffer Bill Hannaford said the Council's disclosure policy requires members each year to disclose income they earn outside their positions on the Council. Eden reported income from a seasonal agricultural business, Hannaford said. Disclosure reports will be available September 16, he noted.

### **– Approval of minutes**

Measure moved to approve the minutes for the July 14-16, 2008 Council meeting held in Kalispell, Montana. Whiting seconded, and the motion passed.

Approved September 17, 2008

/s/ Bruce Measure

Vice Chair