

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

June 10-11, 2008

Minutes

Report on meeting with the Columbia Basin Trust:

Bruce Measure, Council Vice Chair; and Garry Merkel, Chair, Columbia Basin Trust

Garry Merkel, chair of the Columbia Basin Trust (CBT), capped off a two-day visit with the Council that included a tour of Grand Coulee Dam, by presenting several ideas for future cross-border collaboration. One project already under way is a Columbia Basin Center for Information. Bruce Measure said the Council has tentatively agreed to share funding, but further discussion is needed.

Merkel suggested the Council and Trust work together on white sturgeon and bull trout recovery, and suggested planning for the joint transboundary conference in 2010. Staff will work with CBT to flesh out funding requirements for the joint work and to report back in July.

Tom Karier welcomed the Council to Spokane and encouraged people to walk down to see the Spokane River, which is running extremely high at 28,000 cfs. He also introduced the Council's new Washington staffer, Kathy McElreath.

Comment on recommendations on the Columbia River Basin Fish and Wildlife Program amendments.

The Council began its day-long consideration of fish and wildlife amendments with presentations by five groups that submitted recommendations. Staffer Patty O'Toole noted that at the close of public comment on June 12, the Council can move into serious deliberations on the amendments.

Sandra Hirotsu, an attorney the Council hired to help with the amendments, clarified that June 12 is not an absolute deadline for comments. At some point, we'll have to have a final deadline, but there is still time available, she added.

A panel from the **Upper Columbia United Tribes (UCUTs)** led off, with comments from D. R. Michel. He pointed out the power revenues from Grand Coulee Dam are \$950 million per year, and yet after decades, the impacts have never been fully mitigated. With construction of Grand Coulee and Chief Joseph dams, 37 percent of all salmon and steelhead spawning habitat in the upper reaches of the Columbia was lost, and the upper river tribes lost their ability to harvest fish, Michel said. The projects robbed tribes of their culture and spiritual life and changed the ecosystem, he said.

Matt Winn of the Spokane Tribes stressed the importance of resident fish to the tribes, and urged the Council to be aware of the effects of reservoir drawdown on tribal cultural sites.

Michel said the UCUTs recommend policies for the Council's fish and wildlife program that focus on areas of the basin that have not been mitigated. Michel also called for shifting monitoring and evaluation activities to the area. He called on the Council to retain the resident fish substitution policy and to follow the UCUTs' recommendations for operations and maintenance, flow and spill, and in-lieu.

Todd Heisler of the **Deschutes River Conservancy** briefed the Council on opportunities in the Deschutes basin that should not be overlooked. The Deschutes River Conservancy has put together a plan and is poised to do "a massive restoration" that will cost \$100 million, and we're putting together a partnership to fund the program in equal shares, he stated.

Shauna McReynolds of PNUCC and Bo Downen of the Public Power Council gave comments on behalf of "the folks who foot the bill." We urge you to be clear about policy and guidelines and program goals, McReynolds said. If the program is clear on these things, project selection will fall into place, she indicated. We recommend that you have "a higher level" document that "keeps the details at bay" and provides a big picture for guidance, McReynolds stated.

Utilities care about this program and are following its development, Downen said. As BPA customers who pay the entire bill, we are committed to an effective and efficient program, he said.

Jay Minthorn of the Umatilla Tribes led off a tribal panel by reminding the Council of what his tribe lost with construction of dams that destroyed fishing grounds like Celilo Falls. We don't need to litigate but continue to negotiate, he reiterated.

A presentation by **Brian Lipscomb (CBFWA)** detailed the Authority's recommendations. He commented that the region's recent accords on fish and wildlife fit together nicely and all inform each other.

Council work session on Columbia River Basin Fish and Wildlife Program amendments.

Rhonda Whiting gave a report on a June 3 meeting of the four-member work group that will meet as needed by the Council or staff to discuss recommendations for the fish and wildlife program amendments. The members are Whiting, Joan Dukes, Tom Karier, and Jim Yost. The group is not a decision-making group, but a venue for discussion, Whiting said.

The Council decided that the subgroup should hold another meeting after the comment period on recommendations has closed. Booth pointed out that once that deadline is past, the Council can start making decisions.

Staff prepared summaries of substantive issues to begin the Council's consideration of fish and wildlife amendments, O'Toole said. She noted discussions would not be geared toward framing decisions or options until after the comment period closes June 12.

Biological objectives are the first topic up for discussion, O'Toole said, listing objectives in the current program. They include: halt the declining trends in salmon and steelhead populations above Bonneville Dam; restore the widest possible set of healthy naturally reproducing populations; and increase the total adult salmon and steelhead runs above Bonneville Dam to an average of five million annually. The objectives also address substitution for anadromous fish losses in blocked areas, as well as assessments of resident fish and wildlife losses.

Joan Dukes suggested the program include an automatic check-in to gauge whether the region is achieving the goals. Rhonda Whiting pointed out that CBFWA's Status of the Resource Report is helping to fill in where information is lacking.

O'Toole pointed out the "biological objectives for environmental characteristics" in Appendix D of the program and said the Independent Scientific Advisory Board (ISAB) reviewed the list. The ISAB raised several concerns, she said, including that the objectives may need to be more clearly linked to other things in the program. The ISAB said subbasin plans are a good way to make the link, O'Toole added.

She described recommendations the Council received on biological objectives, including those from CBFWA – a summary of objectives from subbasin and recovery plans – and from BPA, a call for incorporating objectives from the BiOp and moving away from numerical objectives. There were a large number of comments supporting the abundance numbers, O'Toole said. The power customer groups recommended focusing on the impacts of the FCRPS, she added.

Mainstem Recommendations

Staffer Jim Ruff offered background on the 2003 mainstem amendments to the program and an overview of current recommendations. The Council received many detailed recommendations for the mainstem, he said. They include:

- spread the risk between transporting and keeping juveniles in the river to migrate spill 24-hours a day at all mainstem projects during the spring
- use a combination of juvenile bypass systems, spill, turbine improvements, and transportation to move juveniles
- assume dam breaching lacks feasibility and cannot occur within the life of the program
- include FERC mitigation planning for non-federal projects
- include all 2008 FCRPS BiOp and Memorandum of Agreement (MOA) measures in the program
- maintain sturgeon flows at Libby Dam
- develop information on the economic benefits of sportfishing

- evaluate migration of Columbia River stocks to partition survival rates between freshwater and the marine environment
- reintroduce salmon and steelhead into blocked areas.

Effects of the BiOp

Staffer John Fazio and Ruff described power system impacts of the 2008 BiOp compared to 2004. According to Fazio, the 2008 operations will cost more and change some flows and elevations.

Ruff pointed out that the BiOp incorporates the Libby and Hungry Horse summer flow operations that are in the Council's mainstem amendments. At both projects, the operation means less variation in reservoir elevations during August and stability through that month, he said.

With regard to the 70-year average elevations from July through September at the storage projects, there is little difference between 2004 and 2008 at Grand Coulee, Fazio continued. Hungry Horse and Libby are higher in 2008 than 2004, particularly in the latter half of August and September, and Dworshak is unchanged, he pointed out.

As for flows at McNary, the 2008 BiOp moves a little water into the spring from the summer months, and at Lower Granite, there is considerably more outflow in spring and less in summer due to the shift in releases from projects in the Upper Snake, Fazio said.

The 2008 BiOp means an increase in spring bypass spill at all Lower Snake River projects except at Lower Granite, where a removable spillway weir is in place, he said. On the Columbia, the big change is at McNary, Fazio reported. The 2008 BiOp calls for spill at McNary starting in June, even though transportation of fish continues; there was no summer spill at the project in 2004, he explained.

The 2008 operation increases generation in December and in April through June, and decreases generation in July, August, and September, Fazio went on. He characterized the power impacts as minimal. The 2008 BiOp operations could push the average regional cost of power upward about \$10 million to \$20 million annually, but depending on water conditions, the cost could be as high as \$60 million, Fazio said. The cost difference is due largely to spill in the summer, he wrapped up.

RME

Staffer Tony Grover said the 2008 BiOps will drive research, monitoring, and evaluation (RME) in the Council's program. The BiOp calls for baseline monitoring, implementation monitoring, and effectiveness monitoring, he said. "If we put these into our program, we will be speaking a common language," Grover added. He noted that NOAA Fisheries is concerned that too much monitoring will cause excessive "take" of fish and has put a 100-project limit on monitoring.

This is an area of major concern, Melinda Eden stated, adding that it isn't clear how NOAA will count projects. We need to be careful about not being overly limited – I view this limit as problematic, she said.

In some cases, the federal agencies have the wrong metric, Karier commented. For example, a metric of 100 RME projects versus the number of fish that can be taken seems wrong, he said. Ruff noted that the ISAB is doing an overview of tagging technology and the potential to mark one group of fish to provide answers to multiple questions.

The BiOp will be a strong reference point for us, but we have our own effort going, Grover stated. The next step is to look at the other recommendations that came in on RME and boil that down for the program, he said.

Land and Water, Strongholds, and Warm Fuzzies

Staffer Lynn Palensky reported that 10 recommendations came in for land and water. Among them are calls to integrate the Columbia Basin Water Transactions Program into the Council's program and to seek closer integration of water and land acquisitions, she said. There were also recommendations to expand the use of conservation easements and to fund deals in areas covered in BPA's MOAs with states and tribes, Palensky said.

The idea behind salmon strongholds is "building from strength" to create wild salmon refuges, she went on. The Wild Salmon Center recommends establishing a Columbia Basin Salmon Stronghold Partnership Fund and submitted a list of nine suggested stronghold basins, according to Palensky.

Yost asked how the suggestions on the stronghold list relate to population goals established by National Marine Fisheries Service Technical Recovery Teams (TRT). He pointed out that in one basin on the list, the TRT said we had to increase the population 200 percent. "So how is that a stronghold?" Yost asked. We need to reconcile the strongholds with TRT recommendations, he stated. "I support the warm fuzzy feeling of strongholds, but don't mess up what we're doing" to restore salmon in these basins, Yost said.

Human Population Growth

Population growth is widely recognized as an important factor in salmon recovery, but it's not clear how our program should address the issue, Palensky continued. A recommendation came in that urges the Council to study ways to protect against human population growth, she said.

Palensky summarized the list of population-related recommendations, many dealing with habitat protection. One recommendation is to dedicate 2 percent per year of the budget for the Lower Columbia Province "considering that population, economic, and industrial growth are due at least in part to hydropower," she said.

At the close of the work session, Council chair Bill Booth said the Council would now be moving into the next phase of the amendment process, with staff bringing alternatives and options and the Council considering side-by-side comparisons. He noted that the Council's fish and wildlife program subgroup would meet again in Portland later in the month.

Booth announced that the Council was invited to testify on the topic of hydropower at a June 12 hearing before the House Subcommittee on Water and Power, and that Melinda Eden would present testimony at the Washington, D.C. hearing on behalf of the Council.

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.

Fish and wildlife Committee Chair Rhonda Whiting said staff reviewed follow-up actions to the 2007-2009 project recommendations. There are 45 projects on which the Independent Scientific Review Panel placed conditions, and staff will keep us informed about the sponsors' progress in meeting the conditions, she said.

We had an interactive presentation of CBFWA's Status of the Resource website, and we will have a report for the full Council in July, Whiting reported. CBFWA plans to take a look at the high-level indicators to see where they might fit, she said.

Yost reported on the Power Committee in Melinda Eden's absence. We had reports on a short-term demand forecast and the resource adequacy assessment, he said. Staff also presented a paper on higher fuel price assumptions, which we will post on the website as "a work in progress," Yost said. We had a briefing on the conservation assessment and avoided costs and the various assumptions that drive the analysis, he stated.

Wallace reported that the Public Affairs Committee has finished its review of the report to the Northwest Governors, which will come before the Council during this meeting. We are also planning a trip to go back to talk to the Congressional delegation in September and working on a plan for fish and wildlife program outreach, he said.

1. Briefing on Bonneville Power Administration transmission activity:

Brian Silverstein, Bonneville Power Administration.

Brian Silverstein of Bonneville briefed the Council on regional expansion plans for transmission, opening with a statement that in 28 years, he has never seen so much planning activity.

Bonneville's challenge is to ensure transmission facilities are in place to serve growing loads for "network integration" customers in the Northwest, he said. Silverstein indicated that among the challenges is knowing where the generation will be located and interconnecting resources in areas like the eastern reaches of the Columbia River Gorge that are remote from load centers.

At the same time, the agency must make transmission capacity available on a commercial basis to others who request "point-to-point service," he explained. Our job is to mix the two together to come up with expansion needed on the grid, Silverstein said.

Planning for resource adequacy involves both generation and the transmission to deliver it, he continued. Bonneville is running out of transmission capacity on its system, Silverstein acknowledged. "We're pretty much sold out," he added, noting that a lack of transmission can limit opportunities to develop the best generating resources.

As more wind generation is developed east of the Cascades, the lines are becoming more congested, Silverstein continued. Wind development is concentrated east of the Columbia River Gorge, which is "a good, but not great" area for wind, he noted. The wind projects are being

built in proximity to transmission facilities that can deliver the power to customers in the I-5 corridor, Silverstein said. Having these projects clustered together creates “balancing problems” on the system, he explained.

Bonneville’s Network Open Season (NOS) is a new concept that looks at the grid on an integrated basis. It aligns new resource development with new transmission development, allows planners to do “cluster studies” rather than studies of individual transmission requests, and helps determine priorities for upgrades, Silverstein said. “We’re saying, tell us what you need now, and we’ll see what needs to be built,” he elaborated.

BPA has concluded that it will borrow the money from the U.S. Treasury and third parties to expand the transmission system, Silverstein said. If a customer signs a firm transmission contract during the NOS, and “the business case makes sense,” we’ll finance and carry out environmental reviews and construction, he said, adding that in the NOS agreements, BPA asks for a security deposit of one year’s transmission service. BPA plans to offer an open season annually, Silverstein noted.

Queue to Get Shorter

At one time, BPA had over 12,000 MW of requests for transmission, and right now, there are developers “parked in the queue” waiting for service, Silverstein said. With NOS, BPA has a way to clear the queue, he said. Customers have to agree to take service consistent with their request or withdraw the request, Silverstein explained.

The deadline for the 2008 NOS is June 16, and the deposits are due June 30, he said. So far, BPA has received signed requests totaling 1,200 MW, Silverstein reported. My “best guess” is that we’ll end up with 2,000 to 3,000 MW of requests, he said, adding that this is the first open season of its kind in the United States.

BPA has three major projects on the drawing board to relieve congestion on the transmission grid, including McNary to John Day, Big Eddy to Station Z (a new substation to be built in the John Day area), and the I-5 corridor, Silverstein said. McNary to John Day will be the first to be completed, he pointed out.

Silverstein showed the Council a map of major transmission projects proposed across the West. The map represents about \$10 billion worth of transmission facilities, he said. There are strong cases to be made on some, and coordinated planning is needed to make the projects as efficient as possible, Silverstein stated. Silverstein also called for better linkage between utility resource and transmission planning.

2. Presentation by Pacific Northwest Utilities Conference Committee on Northwest Regional Forecast:

Dick Adams, Executive Director.

Dick Adams of PNUCC explained how his organization prepares the Northwest Regional Forecast (NRF) and what it says about the current state of load/resource balance in the region.

This year's NRF indicates a need for utilities to acquire resources and identifies how utilities plan to meet the growing need, he said.

Next year, the NRF will include a capacity analysis, Adams reported. Utilities struggle to see how to meet hourly peak loads, he said, so PNUCC plans to analyze capacity.

Adams walked the Council through a history of the region's resource development, which was largely hydro until the 1970s, when some coal and nuclear facilities were built. In the 1980s, combustion turbines, cogeneration, and other renewables entered the picture, he continued. Loads generally tracked with resource development until the 1980s, when there was a period of surplus, according to Adams. From 1990 to today, the load has continued to grow, but resources have not, he indicated.

Loads dropped during the 2000-2001 energy crisis, but are now growing again, and the gap between available resources and need is beginning to widen, Adams said. Loads are forecast to grow about 280 MW per year or 2,800 MW in 10 years, he pointed out. The bottom line is that the Northwest needs to acquire resources, and utilities are taking action, Adams stated.

Utilities are planning to use natural gas-fired generation to fill 62 percent of the gap, he continued. Power purchases will provide 16 percent, wind 11 percent, efficiencies 2 percent, and other renewables 9 percent, according to a chart Adams presented.

Karier asked if the utilities' plans for resource acquisition are consistent with the Council's power plan. Adams responded that utilities are planning to acquire 2,800 MW of generation over the next decade, but it's hard to tell how that lines up with what is in the Council's plan. "Maybe that's a message for the sixth plan – how do we align things a little better so we can tell," he commented.

3. Presentation by the EPA on the draft "State of the River" report on the Columbia River:

Ann Williamson, Deputy Director, Office of Environmental Assessment and Mike Cox, Manager, Risk Assessment Unit, Office of Environmental Assessment, Region X.

Ann Williamson of the Environmental Protection Agency (EPA) reported on progress to prepare a State of the River Report for the Columbia River. EPA Region 10 pushed to have the Columbia River made a part of EPA's national strategy because of the level of toxics found in the river, she said. EPA has three targets in its strategy to address toxics in the Columbia River: reduce toxics in wetland habitat, target superfund sites, and reduce the mean concentration of toxics in water and fish tissue.

Mike Cox of EPA reported that DDT, PCBs, mercury, and PBDEs, which are contained in flame retardant, are the contaminants on which EPA is focusing its efforts in the Columbia. He offered a rundown of the concerns about each contaminant, as well as how pervasive each has been found to be, and said EPA hopes to have the State of the River report done by the end of December.

The U.S. Geological Survey (USGS) has a program for monitoring stream quality and is also involved in the effort in the Columbia River, according to Greg Fuhrer of USGS. He said USGS has been studying 20 small agricultural and urban basins that drain into the Willamette River. Fuhrer pointed out Council funding has helped in the USGS effort.

Wallace noted that the toxics, other than PCBs, appear to be non-hydro related. Ruff said the Council received recommendations for its fish and wildlife program related to water quality and toxics. The research is showing that smolts from above Bonneville Dam are less contaminated than those found below the dam, he said.

If it's an issue below Bonneville Dam, we have to be concerned about the source of funding for the research, Booth noted. For our program, there needs to be a clear correlation with the hydro system, he indicated.

4. Presentation by NOAA Northwest Fisheries Science Center on the effects of toxic contaminants on salmonids:

Dr. Tracy Collier, Director of the Environmental Conservation Division, NOAA Science Center.

Tracy Collier was ill and John Ferguson appeared instead.

The NOAA Fisheries Science Center has the tagged smolts needed for its transportation study in 2008, John Ferguson of NOAA reported. It's not yet clear how things will go for 2009, but we're trying to clarify that with the Corps, he said. NOAA's transportation study has been going on since 2000, and over time, the study design has changed, Ferguson explained. We like to have three years of data for our analyses of any operation, he said, noting that NOAA has only two years of data with the new spill regime in place. We need one more year, Ferguson stated.

With regard to ocean conditions, things are looking good this year, he continued. NOAA research vessels have been checking indicators from Newport, OR to the Straits of Juan de Fuca and as far as 120 miles offshore, and "ocean conditions are phenomenally good right now," Ferguson said. There is a lot of food for salmon, and the ecosystem is very productive, he said. This bodes well for 2009, Ferguson added.

Responding to a question about the disappointing 2008 spring chinook returns, Ferguson said the current count is 40 percent off the forecast. The poor showing could be attributed in part to "the blubber factor" or the thousands of sea lions now grazing on Columbia River salmon, he stated. There are currently 3,000 sea lions in the lower river between Bonneville Dam and Tongue Point and 1,000 below Tongue Point, according to Ferguson. He also said NOAA is working on getting better estimates on adult returns – the predictions didn't work for California either, he stated.

Ferguson said NOAA submitted a comment letter on the fish and wildlife recommendations, noting "it's not common for us to do so." The key issues in our letter are toxics and climate change, he said.

5. Council decision to release high level biological and implementation indicators report for public comment:

Dr. Tom Karier, Washington Council Member.

Karier explained a draft list of high-level indicators the Council could use to measure the success of its fish and wildlife program. The indicators are divided into two categories, he said: biological and implementation. The biological indicators include such things as total abundance, life-cycle mortality, harvest and hatcheries, hydro survival, and habitat. The implementation indicators would gauge measures such as number of passage barriers removed, acres of land acquired for habitat, and number of screens installed.

The list was developed in meetings with fish and wildlife managers, and there was good participation; the indicators were well accepted, Karier stated. He said next steps would be a 30-day comment period – to end before the Council’s July meeting – and additional work to define indicators more precisely.

We also need to identify the sources in the region for the data, Karier added. I would hope that within a year we’d have data available on all of the indicators.

Wallace made a motion that the Council approve release of the Draft High Level Biological and Implementation Indicators Report presented by Member Karier and recommended by the Fish and Wildlife Committee. Whiting seconded the motion, which passed on a 6-0 vote; Eden and Measure were absent for the vote.

6. Public comment on Council’s draft Fiscal Year 2009 revised budget and Fiscal Year 2010 proposed budget (Council document 2008-04).

Staffer Sharon Ossmann reported that the Council had released its draft fiscal year 2009 budget and its 2010 proposed budget for comment and scheduled time at the June and July meetings to take public comment. No one appeared to comment on the budget.

7. Council Business:

– Approval of minutes

Measure made a motion that the Council approve for the signature of the Vice-Chair the minutes for the May 13-14, 2008 meeting, held in Walla Walla, Washington. Karier seconded the motion, which passed on a 7-0 vote; Eden was absent for the vote.

– Approval of final report to the governors on Bonneville fish and wildlife expenditures

Staffer John Harrison reported that the Council received a few comments on the draft report to the governors on BPA’s fish and wildlife spending in 2007. The recommended changes were minor, he said, although some comments argued with BPA’s methods of accounting for the dollars spent. Harrison also noted that CBFWA would like to merge the report with its Status of the Resource document.

Harrison said he'd like the Council to make one last review of the changes that were made as a result of the comments. Wallace made a motion that the Council approve for release the final seventh annual report to the Northwest governors on Bonneville's expenditures to implement the Council's Fish and Wildlife Program, subject to editorial changes based on comments received and subsequent Council-member review. Karier seconded the motion.

There was some discussion about whether the review should come before the Council voted to release the report. But there was agreement that the motion covered a final editorial review, and Booth said he would appoint an editorial committee if needed. The motion carried 6-0; Eden and Measure were absent for the vote.

– **Approval of appointment of Brian Marotz of Montana to the Fish Passage Center Oversight Board**

Measure made a motion that the Council appoint Brian Marotz of the Montana Department of Fish, Wildlife & Parks to the Fish Passage Center Oversight Board. Karier seconded the motion. Measure explained that there was a vacancy on the board and nominations had been solicited. The board's recommendation is to appoint Marotz, he said. The motion passed 7-0; Eden was absent for the vote.

Booth announced that the fish and wildlife amendment subcommittee would meet again June 19. The meeting adjourned at 4:05 p.m.

Approved July __, 2008.

Vice-Chair

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