

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 Missoula Montana

October 15 and 16, 2008

### Minutes

#### **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 reported on a presentation by staffer Mark Fritsch on the within-year fish and wildlife budget requests that are now out for comment. There were some questions about one of the hatchery requests and about Mitchell Act cuts that may now be coming out of our budget, she said. BPA is restoring the majority of monitoring and evaluation (M&E) projects, Whiting added. Staffer Peter Paquet provided us with an update on the Hatchery Science Review and reported that the group now has a website.

Power Committee chair Melinda Eden reported on a lengthy meeting, which included a presentation by staffer Terry Morlan on the outline for the Sixth Power Plan and an explanation by staffer Michael Schilmoeller on resource modeling for the power plan and findings with regard to the cost of conservation. Morlan also made a presentation on the fuel-price forecast, including the price for oil, gas, and coal, and the committee agreed with a request for releasing a staff paper for comment, she said.

In addition, staffer Charlie Grist went over the potential for conservation in the commercial sector that will be reflected in the Sixth Power Plan, and staffer Jeff King briefed us on the cost and availability of gas-fired generation, Eden went on. We also learned about the need for ancillary services from staffer Maury Galbraith and the types of services balancing authorities need in order to regulate loads and resources, she said.

Staff also described a contract proposal with EcoSecurities for climate change work that is needed for the power plan, she said. The committee recommended the Council approve the contract.

Dick Wallace, chair of the Public Affairs Committee, said the annual report to Congress is being circulated for Council member comments. He also reported that staff is working on bringing a consistent look to the images on the Council's website and other publications.

Council chair Bill Booth requested the full Council have a briefing soon on the progress toward a Sixth Power Plan. It will be our task for 2009, he added.

## **1. Council decision on step review of the Hood River Production Program (HRPP) Master Plan:**

Mark Fritsch, manager, project implementation.

Staffer Mark Fritsch introduced the panelists for a presentation on the revised master plan for the Hood River Production Program. The panel included Rod French of the Oregon Department of Fish and Wildlife, and Chris Brun and Bruce Jim of the Confederated Tribes of the Warm Springs. Fritsch said the revised plan realigns the program so it is more conducive to chinook, coho, and steelhead in the Hood River subbasin.

The original master plan was approved in 1992, and a 10-year programmatic review was completed in 2003, he explained. The revised master plan was submitted May 13, 2008, and the Council received a review from the Independent Scientific Review Panel (ISRP) on August 22, 2008, Fritsch said. The revisions address the removal of Powerdale Dam in 2010, he added.

French went over the goals for the Hood River subbasin, which include rebuilding steelhead runs and re-establishing spring Chinook. He explained the proposal to replace fish facilities now located at Powerdale once the dam is removed, as well as program revisions in the new master plan.

Brun addressed the ISRP review, which gave the plan a rating of "meets scientific criteria in part." He said he thought the ISRP misunderstood some aspects of the plan, and he described the ISRP recommendations and the sponsors' response, which included adding sections on population dynamics and release strategies, documenting the level of trapping and enumeration, detailing passive habitat improvement actions and strategies, and providing M&E for habitat enhancements.

Brun described a proposed spring Chinook comparative release evaluation, outlined a winter steelhead program and evaluation, and detailed a number of new M&E needs, including adult trapping efficiency, escapement downstream of weirs, juvenile migrant population estimates, juvenile movement patterns, harvest monitoring, development of a predictive run size model, and determination of the relative reproductive success.

Brun laid out the activities planned for 2009-2013, and said a final master plan would be available in 2013 and include a long-term spring chinook and winter steelhead production strategy. The future of the 2014-2015 Parkdale Fish Facility expansion and Moving Falls acclimation facility development will depend on results of the rearing evaluation, he said.

Whiting reported that the fish and wildlife committee had recommended approval of the revised master plan and called on sponsors to provide additional information to address the issues raised by the ISRP.

Bruce Measure made a motion that the Council 1) approve the Revised Master Plan for the Hood River Production Program and recommend that the Phase I activities associated with the comparative release evaluation and fish trapping facilities proceed and 2) call on the project sponsors to develop additional information to address the issues raised by the ISRP, including development of a further revision of the current Master Plan for final review in 2013. Eden seconded the motion, which passed unanimously.

## **2. Presentation on invasive flowering rush in the Columbia River System:**

Virgil Dupuis, Salish Kootenai College; and Peter Rice, University of Montana.

Whiting introduced Peter Rice of the University of Montana and Virgil Dupuis of the Salish Kootenai College, who briefed the Council on the spread of an invasive aquatic plant called flowering rush, which comes from Russia and Asia. The plant infests wetlands, and areas of Flathead Lake that were previously open water are now infested with the rush, he said.

Because the rhizomes are easily disbursed, the plant has moved through the river system into other areas, including Lake Pend Oreille, he continued.

Dupuis described the steps that are going on to evaluate the infestation in Flathead Lake and the Clark Fork River. He estimated there are 2,000 acres of intense infestation. Waterfront owners have tried applying herbicides, but there are no permits to allow for doing so, and other attempts at removal often make the problem worse, Dupuis said.

The Salish Kootenai tribe would like to test bottom barriers, which can keep the plant from choking off waterways, Dupuis explained.

## **3. Presentation by the Clark Fork Coalition on its recently released report on climate change in the Clark Fork watershed:**

Brianna Randall, Water Policy Director, Clark Fork Coalition.

Brianna Randall, water policy director of the Clark Fork Coalition, briefed the Council on a recently released report on climate change, "Low Flows, Hot Trout." The coalition, formed in 1985, looked at temperature data and found that in 50 years, there had been an almost 2 degree increase in average temperature in Missoula and Butte, and a nearly 1 degree increase in Kalispell, Randall said.

#### **4. Presentation by National Fish and Wildlife Foundation on implementing water transaction evaluation recommendations:**

Andrew Purkey; and Christina Kakoyannis, NFWF.

Andrew Purkey of the Columbia Basin Water Transaction Program and Christina Kakoyannis of the National Fish and Wildlife Foundation described how the water transaction program has responded to recommendations from an independent evaluation conducted last year. Kakoyannis said NFWF developed a new strategic direction, and the organization has gone from a reactive to proactive mode in soliciting proposals. In addition, we have gone to multiyear grants, and we've changed our approach to M&E, using outcomes for species as the measure of success, she said.

The Hardner and Gullison evaluation was completed in October 2007 and presented to the Council in November 2007, Kakoyannis said. The evaluation had recommendations, including considering additional performance measures and integrating efforts to resolve all ecological limiting factors for species, she said.

#### **5. Overview of 2008 Fish Runs:**

Jim Ruff, manager, mainstem passage and river operations.

Bill Tweit of the Washington Department of Fish and Wildlife reviewed the Columbia River salmon and steelhead returns for 2008 and the results of harvest. He acknowledged his review was "the half-time report" since information on escapement in the tributaries "is still up in the air." But you'll see the trends in data we have compiled from many sources, including state and federal agencies and tribes, Tweit told the Council.

The preseason forecast of 269,300 upriver spring chinook didn't hold up, and only 178,800 were counted, he said. The jack count of 22,400 in the run was the highest since 2000, when 24,400 jacks passed Bonneville Dam, Tweit reported.

We were "stunned" by the large sockeye return, which ended up being the largest since 1955, he went on. There was some tribal fishery on the sockeye, and a small number of fish was caught in the commercial harvest, Tweit said. With most of the fish headed for the Okanogan hatchery, we had a fishery in Lake Wenatchee, he added. "We hope the sockeye return is a sign of things to come," Tweit stated.

The preseason forecast for fall chinook was good, but the run was even better at 301,000, he reported. There was an excellent count over Bonneville Dam, and we were able to bump up the harvest, from 8.25 percent to 11 percent, when the run was upgraded, Tweit said.

He pointed out that managers were able to open a fishing season on fall chinook in the Snake River, something that had not been done for 30 years.

The overharvest on upriver spring chinook, which happened in both non-Indian and Indian fisheries, "was a very bad overage," he continued. "We are heavily criticized for these overages" so we will be discussing the reasons at length, he acknowledged.

Why did this happen? Booth asked. We were caught inseason with an unexpected drop in the run size, Tweit responded. Usually the run builds and drops off on the back side, but this year, it dropped off quickly, he said. The timing of the run is changing, which has added to the difficulty, according to Tweit. We also gauge things according to the sport fishery that is going on, and the salmon at that time were very plentiful, he said. By the time we realized we were over the limit, it was too late to adjust, Tweit stated.

## **6. Update on hearings, comments and draft Fish and Wildlife Program amendment schedule:**

Patty O'Toole, program implementation manager; Lynn Palensky, program planning and special projects coordinator; and John Harrison, information officer.

Staffer Patty O'Toole reported that the Council has received considerable comment on the draft fish and wildlife (fish and wildlife) program.

Council chair Bill Booth asked how staff would organize the comments for the Council to consider, and O'Toole said they would be organized according to the program outline. We will get a summary out as soon as possible and then organize the comments for the Council to make a decision on how to address them, she continued. We will post written comments on our website and circulate notes from the public hearings, O'Toole added.

We are getting a lot of requests for consultation, she continued, noting that requests have come from the Umatilla, Nez Perce, Burns Paiute, Salish Kootenai, Spokane, and Shoshone Paiute tribes. We have also met with the Nez Perce, Upper Columbia United Tribes (UCUTs), and the Columbia Basin Fish and Wildlife Authority (CBFWA), O'Toole said.

O'Toole said there had been a request to extend the comment deadline beyond October 30. After the close of comment, we go into an informal consultation for clarification for two weeks, which on the current schedule would end November 14, she said. We would then wrap things up and have a final program ready for a Council decision in December, although we may need a conference call to discuss items prior to that meeting, O'Toole said.

CBFWA would like a 30-day extension, and the UCUTs and Nez Perce have also asked that we extend the comment deadline, she reported. If you decide to take comments for another 30 days, the deadline would go until December 1, O'Toole added.

If you extend the comment period, we propose that the Council decision on the final program be made in February, staffer Sandra Hirotsu said. With the intervening holidays, it would be too tight to try for a January decision, she advised.

If we do that, would we still be on schedule for the power plan? Booth asked. Yes, we would still be within the statutory deadlines for the power plan and the fish and wildlife program amendments, O'Toole responded.

Is there time to fit in the consultation requests without an extension? Rhonda Whiting asked. Under the current schedule, they would need to be completed within four weeks, O'Toole

responded. We could hold those meetings through November 14 and could schedule others around the November Council meeting, she added.

O'Toole said if the comment closes on December 1, there could be additional time, until December 19, for consultation and clarification. The end of the comment period should coincide with the end of consultation so any final comments could be considered in the final program, Whiting suggested.

Measure offered a motion that the comment period be extended by 30 days, until December 1, and that the consultation period be extended to December 19, with no further extensions. Wallace seconded the motion, which passed 7-1; Measure voted no.

## **7. Briefing on revised fuel price forecasts and assumptions:**

Terry Morlan, director, power division.

Staffer Terry Morlan presented the draft fuel-price forecast for the Sixth Power Plan, which shows the change in energy markets since the fifth plan. He cited significant fluctuation in oil prices over the past month as an example of the uncertainty involved in forecasting the price of fuel over a period of years.

The draft forecast for the power plan looks at natural gas, oil, and coal prices, Morlan explained. Natural gas prices are significantly higher than in the last plan, with the medium high and high cases at over \$8 per MMBtu, he said. According to a graph of wellhead prices, prices were at half that figure five years ago.

Gas and oil prices are related, and the two tend to move together, Morlan continued. Our medium case has oil prices between \$70 and \$80 per barrel, he said. The pattern with prices tends to be cyclical; they rise to a certain point and then fall, Morlan noted. Our forecast assumes a similar *pattern*, but the actual price has moved higher, he said.

We are in "a whole different world" with oil prices than we were in the last plan, Morlan pointed out. In the forecast for the fifth plan, prices were in the \$20 to \$40 per barrel range, he said.

Most of the coal used in the region is from the Powder River Basin, so that price is what we've looked at for the forecast, Morlan explained. The price of coal has declined from over \$1.40 per million Btu to just over \$.60, he said, and it is forecast to level off in that range. We don't see a lot of demand for coal because of climate change regulations, Morlan added.

Dick Wallace asked how the consumption of oil and gas in emerging economies such as India and China are figured into the forecast. The effect of that increased demand is reflected in higher prices, Morlan responded. We use models from other sources that include the fundamentals, such as world demand, when we prepare our forecast, he said.

Measure made a motion that the Council approve the release for public comment of the Preliminary Draft Fuel Price Forecasts as presented by the staff and recommended by the Power Committee and direct staff to give appropriate notice of the opportunity for public comment. Eden seconded the motion and reported that the Power Committee considered the draft forecast

and recommended it be released for comment. The Council passed the motion 7-0; Jim Yost was absent for the vote.

## **8. Council Business:**

### **– Approval of minutes**

Measure made a motion that the Council approve for the signature of the Vice-Chair the minutes for the September 16-17, 2008 meeting held in Astoria, Oregon. Dukes seconded the motion, which passed 7-0; Yost was absent for the vote.

### **– Decision on proposed contract on the cost of climate regulation**

Staff asked for approval of a contract with EcoSecurities' Global Consulting Services for an analysis of alternatives to reduce greenhouse gas emissions. A key issue in the Sixth Power Plan is climate change policies and their effect on electricity choices and costs, according to Morlan. We want an idea of the costs of meeting climate change initiatives, and we want to get EcoSecurities' input for the sixth plan, he said.

Measure made a motion that the Council authorize the Executive Director to negotiate a contract with EcoSecurities' Global Consulting Services in an amount not to exceed \$45,000 to provide analysis of the alternatives for reducing greenhouse gas emissions and their costs. Eden seconded the motion, which passed 7-0; Yost was absent for the vote.

The meeting adjourned at 10:55 a.m.

Approved November 18, 2008.

/s/ Bruce Measure

Vice-Chair

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