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Meeting Notes

November 19, 2010

Yakima Arboretum, Yakima WA

Yakima River Basin Water Enhancement Project (YRBWEP) 2010 Workgroup

Opening Comments

Ben Floyd, Anchor QEA and meeting facilitator, welcomed attendees and reminded them to sign the attendance sheet.

Meeting notes from the October 21 Workgroup meeting were reviewed. Comments made include:

- Rick Dieker did not recall saying the Integrated Plan will take more than 20 years to implement.
- Wendy Christensen noted the title of the Reclamation video needed correcting.
- Scott Revell did not think his comments on behalf of KID were fully captured. Scott will provide his comments to the facilitation team.
- Attendance for WDFW needs editing.

Wendy Christensen, Reclamation, announced Reclamation's video, Yakima Basin Solutions Now and For the Future, is posted on the web. If you would like a hard copy, Reclamation has them available. Ben will send out an email to the Workgroup distribution list with links to the video.

Ben gave an overview of the meeting agenda and noted the recent correspondence/communications included in today's meeting packet.

Wendy shared an update with the Workgroup on Reclamation and Ecology recent communications with the U.S. Forest Service (USFS). There have been ongoing discussions with USFS on the Yakima River Basin Study/Integrated Plan planning process over the past several months. They have had discussions on Bumping enlargement and other projects that would affect USFS lands. The next coordination meeting with USFS is set for January 2011, and communications will continue.

Integrated Plan – Market Reallocation and Economics Overview by Ernie Niemi, ECONorthwest and Ann Root, ESA

Ann Root, ESA, and Ernie Niemi, ECONorthwest, presented and discussed results for the market reallocation element of the Integrated Plan. Short-term and long-term proposals were discussed, as well as potential effects to water market activity. (For the presentation slides on the Market Reallocation and Economics Overview, and on other topics discussed at the November meeting, see <http://www.usbr.gov/pn/programs/yrbwep/2010workgroup/meetings/index.html>).



The following items were discussed:

- The economic-effects analysis focuses on the benefits and costs of the Integrated Plan.
- The benefits represent increases in the value of the goods and services derived from the basin's water and related resources. Costs represent decreases in value.
- All potential benefits and costs are characterized and summarized in the analyses; however, there is only sufficient information to quantify certain elements of the Integrated Plan (e.g. financial costs, its irrigation-related benefits during severe-drought years, and its fish-related benefits).
- Is allowing water rights to be transferred outside the federally-served district a limitation? *It's a limitation because by definition we are trying to improve water supply for the Yakima Project, not for other water users. The marketing analysis only looked at transfers within the Yakima Project. We do, however, have funding in the conservation element for non-Yakima Project water users. The conserved water could be transferred to other water users in or out of the Yakima Project. The Integrated Plan conservation program should include conservation funding for non-federal irrigation districts.*
- The market reallocation model does not capture losses from major investments which occur outside the Yakima basin because of water reliability issues. These losses could have significant implications for the Basin.
- The Kittitas irrigation area could experience inter-district transfers, but it appears that the market ability of transferring out of the Kittitas valley is not accurately portraying the amount of water transferred out of the Kittitas valley. There's more to it than what the model captures.
- Do these models consider late/split season leases, where water is used early in the irrigation season to support crops and then leased later in the season to others? *We looked for split season data, but we didn't have that data to address.*
- Is it possible for a proposal for a market-based element to stimulate the ecosystem market element that could lubricate the numbers? Do we have the funding to do that? *The market-based element could enable more water leasing or purchasing for environmental purposes. That is in some part an ecosystem market. We don't have funding identified for an ecosystem market. However, funding is identified for ecosystem improvements (i.e. habitat restoration).*
- The economic analysis values need a stronger basis. *This is a potential estimate, not a predicted estimate. The model identifies the potential gain from moving water from a lower valley crop to higher valley crop.*
- Are the tributary senior water rights in the model? *No.*
- The models are not considering the cost of drying up land and the continuing effect on land production that takes a couple years to recover. There's a significant cost associated with that. The increased income is just shuffling dollars from one farmer's pocket to another. *We are aware that droughts, prices, values, and effects of crops vary. A lot of farmers operate on more than a one-year basis, and will have some costs associated, but all will be averaged out over the years, although this is not explicitly outlined in the model.*
- All of the different decision factors, constraints and limitations have not been modeled yet.
- There is some value in the market element. It's a process of learning to see how people act and respond.

- Market reallocation is not quite integrated with the rest of the plan elements.
- Market reallocation does not solve the water supply shortage problem.
- Remember the involved district(s) and Reclamation would need to approve transfers between districts.
- We realize costs will occur over some period of time, and the question is, what is the average amount people are willing to pay?
- We need to realize the benefits that could be created.

Workshop on economic effects from the Integrated Plan will be held at 1 PM on December 9, 2010 at the Yakima Arboretum.

Integrated Plan – Updated Hydrologic Modeling Results by Steve Thurin, HDR and Bob Montgomery, Anchor QEA

Steve Thurin presented updated hydrologic modeling results for Integrated Plan scenario, adjusted scenarios, and climate change impacted scenarios. Bob Montgomery assisted in fielding questions.

The following items were discussed:

- Why are proration levels for the future with Integrated Plan (FWIP) shown to be worse than they actually were? *The model doesn't incorporate some pieces of information it did before. The FWIP turned out different than how it was actually run in the past, creating both positives and negatives.* This model may look suspect because of these variances.
- We would like to see a model run where the instream flow targets are met first, rather than the 70 percent proratable supply goal.
- We have a clear 70 percent goal, though I think there needs to be more evaluation on economics; we need a surrogate on the fisheries side to maintain balance on instream and out of stream benefits.
- How much of the instream flow comes from subordination from Roza and Chandler? *None right now (it hasn't been modeled) but subordination could improve flow, if increased.*
- The modeling raised questions about flow values at Parker and setting instream flow targets in other geographic areas.
- The averages will be affected by high and low streams, important to look at the details.

Workgroup Discussion on Draft Document – Agreement to Support Integrated Plan

Ben Floyd reviewed information presented to the Workgroup over the past several months. Ben explained today's meeting includes taking a straw poll with the Workgroup to determine who is ready to support the Integrated Plan at the December meeting, and identify issues keeping some from supporting the plan.

After Workgroup approval of the Integrated Plan summary document, the Consultant team will prepare the detailed Integrated Plan and Yakima River Basin Study Report. The Workgroup will have the opportunity to review and comment on this report early in 2011. Reclamation and Ecology will initiate a feasibility level planning report and programmatic EIS for the Integrated Plan, which could take 12-24

months to complete. Advanced discussions on land protection and mitigation for some of the larger projects in the Integrated Plan are also underway and will continue into early spring 2011. Also, an Implementation Subcommittee will be organized. This subcommittee will take the lead in tracking progress on implementation and will report back to the Workgroup twice a year or more often, if necessary, to keep the Workgroup informed on implementation efforts.

The Workgroup is being asked to agree with the concepts of the Integrated Plan as presented in the summary document. Workgroup members will have the opportunity to review and comment on the Integrated Plan detailed report in late February or early March. The Workgroup members proposed seeking verbal agreement only at the December 17 meeting.

Ben Floyd conducted the straw poll, asking Workgroup members to answer two questions: (1) Do you support the seven elements and associated recommended actions? and (2) Are you ready to support the Integrated Plan in December? If not, please specify concerns.

Most Workgroup members could support the seven elements, with concerns expressed largely around three main topics:

- Power subordination – concern over the description and how impacts to Reclamation, BPA and the Roza and Kennewick Irrigation Districts would be mitigated.
- Columbia River – concerns over whether and how a study action would be characterized. Yakima County proposed the action description include seeking authorization for constructing Columbia River pump exchange with storage in the Yakima. Yakama Nation, irrigation districts and others said they cannot support this.
- Discussions underway regarding land protection and advanced mitigation will extend into 2011. American Rivers’ decision on supporting the Integrated Plan will be conditioned on the outcomes of this process.

Several Workgroup members identified other topics/actions they would like clarified in the Integrated Plan summary document prior to December 17. These included:

- Clear Creek/ Box Canyon fish passage – need performance-based language for bull trout passage added to the Kachess inactive storage project description.
- Clarifying Wapatox project details and whether it was still cost-effective to remove the Naches Selah Irrigation District diversion.
- Water supply. Not enough storage potential to address climate change effects to snow pack and crop demand, and groundwater recharge not adequately addressed.
- Clarify language regarding fish passage operations, acknowledging this would require some operational changes to accommodate new fish passage facilities.
- Concerns that the Integrated Plan does not do enough to improve lower Yakima River conditions.
- Market reallocation/water marketing program should not be relied upon for improving supply.
- Need to better understand the NEPA/SEPA process that follows the Integrated Plan proposal, and whether it would follow the traditional Reclamation process, including benefit/cost

evaluation using Reclamation principles and guidelines. *See above description of next steps. The Integrated Plan would be viewed as a proposal to Reclamation and the State, and they would each follow their traditional review processes.*

- Need to establish more firm targets/goals for instream flows, similar to the goal to provide 70 percent proratable water supply during drought conditions.
- Can Kachess inactive storage be used to improve temperature conditions in the Yakima?
- The 70 percent proratable supply goal needs to be addressed in the Introduction of the Summary document also, not just in the appendix.
- Need to develop updated operating rules, accounting for the Integrated Plan projects.
- Bull trout mitigation: identify impacts to specific populations and how these affect the overall population.
- How does the Workgroup update support for plan elements as adjustments are needed during implementation?
- Would like to better understand cost allocation and who would be responsible for various plan elements.
- Demonstrate that the plan provides substantial environmental benefits.

Wrap Up and Next Steps

The Workgroup confirmed the next meeting will be held on December 17, 2010 at 9:30AM. If possible, send issues to Ben by December 10, 2010, and they will be incorporated into the meeting agenda. The workshop to present Integrated Plan economic effects will be held at 1 PM on December 9, 2010, instead of December 8, 2010.

Public Comment

- Climate change effects water storage and snow pack. It is important to address to the public that two-thirds of our water storage is snowpack.
- See David Child letter of support included in meeting packet.

Workgroup Members in Attendance

Dale Bambrick, National Marine Fisheries Service

Max Benitz, Benton County Commissioner

Dave Brown, City of Yakima

Alex Conley, Yakima Basin Fish & Wildlife Recovery Board

Tom Davis, Washington State Department of Agriculture

Rick Dieker, Yakima-Tieton Irrigation District

Urban Eberhart, Kittitas Reclamation District

David Fast, Yakama Nation – Yakima/Klickitat Fisheries Project

Michael Garrity, American Rivers

Paul Jewell, Kittitas County Commissioner

Mike Leita, Yakima County Commissioner

Sid Morrison, Yakima Basin Storage Alliance
Scott Revell, Kennewick Irrigation District
Phil Rigdon, Yakama Nation
Derek Sandison, Washington Department of Ecology
Jeff Tayer, Washington Department of Fish and Wildlife
Jeff Thomas, U.S. Fish and Wildlife Service
Jim Trull, Sunnyside Valley Irrigation District
Ron VanGundy, Roza Irrigation District
Dawn Wiedmeier, Reclamation

Other Attendees

Susan Adams, Washington Water Trust
David Bowen, American Forest Land Co.
Tom Carpenter, Yakima Basin Storage Alliance
David Child, Yakima Basin Joint Board
Wendy Christensen, Reclamation
Stuart Crane, Yakama Nation
James Davenport, JH Davenport, LLC
Seth Defoe, Kennewick Irrigation District
Charlie de La Chapelle, Yakima Basin Storage Alliance
John DeVaney, Office of Rep. Richard Hastings
Warren Dickman, Yakima Basin Storage Alliance
John Easterbrooks, Washington Department of Fish and Wildlife
Bill Eller, Washington State Conservation Commission
Ben Floyd, Anchor QEA
Joel Freudenthal, Yakima County
Adam Fyall, Benton County
Chuck Garner, Reclamation
Don Gatchalian, Yakima County
Kristi Geris, Anchor QEA
Andrew Graham, HDR Engineering, Inc.
Bob Hall, Yakima Basin Storage Alliance/Yakima Auto Dealers
Justin Harter, Naches-Selah Irrigation District
Ken Hasbrouck, Kittitas Reclamation District
Lynn Holt, Reclamation
Joel Hubble, Reclamation
Jerry Kelso, Contractor to Bureau of Reclamation
Chuck Klarich, Yakima Basin Storage Alliance
David Lester, Yakima Herald
Edwin Lewis, Wapato Irrigation Project
Chris Lynch, Reclamation
Steven Malloch, National Wildlife Federation – Western Natural Resource Center

Tina Mayo, U.S. Forest Service
Jason McCormick, Washington Water Trust
Jim Milton, Yakima-Tieton Irrigation District
Tom Monroe, Roza Irrigation District
Bob Montgomery, Anchor QEA
Brian Myre, Yakama Reservation Irrigation District
David Ortman, Sierra Club
David Reeploeg, Office of Senator Maria Cantwell
Tom Ring, Yakama Nation
Ann Root, ESA Adolfson
Mike Schwisow, Schwisow & Associates
Teresa Scott, Washington Department of Fish and Wildlife
Elaine Smith, League of Women Voters
Steve Thurin, HDR Engineering, Inc.
Bob Tuck, Yakima Basin Storage Alliance
Keith Underwood, HDR Engineering, Inc.
William Woods, Jr.

Where to Find Workgroup Information

Meeting materials, notes, and presentations from the Workgroup meetings will be posted on the project website (<http://www.usbr.gov/pn/programs/yrbwep/index.html>). A bibliography of information sources, many of which are available online, is also posted on the website. If anyone needs help finding an information source, contact those listed at the top of page 1 or Ben Floyd at Anchor QEA, Richland office, (509) 392-4548, or bfloyd@anchorqea.com.