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Final Meeting Notes

September 26, 2012

Yakima Arboretum, Yakima WA

Yakima River Basin Water Enhancement Project (YRBWEP) Workgroup

Welcome/Introductions and Agenda Overview *by Ben Floyd, Anchor QEA*

Ben Floyd, meeting facilitator, welcomed the Workgroup members and public, led introductions, and provided an overview of the agenda. Ben congratulated Jeff Tayer on his recent retirement from Washington Department of Fish and Wildlife (WDFW) and introduced John Easterbrooks as the new YRBWEP Workgroup WDFW representative and Perry Harvester as the new WDFW alternate.

Early Action Items Status *by Wendy Christensen, Reclamation, and Derek Sandison, Ecology*

Wendy Christensen, U.S. Department of the Interior, Bureau of Reclamation (Reclamation), reviewed the Yakima River Basin Integrated Water Resources Management Plan Early Action Items Funding Status Table. The table is largely the same as the version presented at the March 14, 2012, YRBWEP meeting; however, it has been updated to include results from the cost-risk analysis and revised funds for the Watershed Land Conservation – Land Acquisition item. *(For Workgroup meeting notes and information on topics discussed at the September meeting please see*

<http://www.usbr.gov/pn/programs/yrbwep/2011integratedplan/2012meetings/index.html>*).*

Wendy said that Walt Larrick of Reclamation, Washington State Department of Ecology (Ecology), Kittitas Conservation District, and Kittitas Reclamation District (KRD) have been coordinating on a proposed conservation project that will enhance flows in Manastash Creek. Reclamation is preparing a draft report on Manastash Creek to detail Tributary Habitat Enhancements. Urban Eberhart said the project will be precedent-setting for Manastash Creek. He added that the proposed project will make significant progress toward providing fish access to approximately 30 miles of Manastash Creek habitat through lateral piping projects and improve water supply for landowners located along the lateral.

The passive integrated transponder (PIT)-tag study for the Yakima River reach just below Roza dam is now complete. The draft report will be available later this fall. Cle Elum fish passage modeling is in progress. Discussions are ongoing with WDFW to identify additional potential land acquisition areas. A site visit looking at geological borings has been completed at the proposed Wymer and Bumping damsites and the Keechelus-to-Kachess conveyance route. HDR Engineering, Inc. (HDR) is now under contract to also look at a Keechelus-to-Kachess conveyance route that uses a tunnel to help avoid



surface impacts to wetlands downstream of Keechelus Dam and other forest habitat. HDR, with assistance from a subconsultant (Golder Associates), is also conducting a reconnaissance study on groundwater infiltration in Kittitas County.

Wendy shared photos of the physically scaled models of the Cle Elum fish passage multilevel intake structure and juvenile bypass conduit being constructed at the Reclamation Technical Service Center in Denver, Colorado, as well as the upstream passage model. As currently constructed, flow through the multilevel structure is too turbulent for juvenile passage, as demonstrated in a video shared at the meeting. The video showed a test performed on the multilevel structure (test performed at 200 cubic feet per second [cfs]). The Yakima Storage Dam Technical Workgroup (comprised of WDFW, National Oceanic and Atmospheric Administration [NOAA], U.S. Fish and Wildlife Service [USFWS], and Yakima Joint Board fisheries staff), will review the model and revise the design as needed for fish passage efficiency.

Workgroup Comment

- Bob Hall – What will the \$700,000 budgeted for the Fish Passage at Cle Elum Lake Dam project be used for? *Upstream and downstream modeling as well as design data collection and final design.*

Governor Gregoire Briefing - August 2, 2012 by Wendy Christensen, Reclamation, and Derek Sandison, Ecology

Derek Sandison said that on August 2, 2012, Governor Gregoire met with members of the YRBWEP Workgroup at the Yakima Arboretum to discuss progress of the Integrated Plan. Governor Gregoire was extremely positive and shared words of encouragement. Ecology has been working with the Governor's staff on budget and policy legislation that will solidify the Integrated Plan with respect to projects and funding needs.

A video of the August 2, 2012 meeting was shared with the Workgroup. Governor Gregoire identified the following activities the State is pursuing: 1) and outline of legislation that will be introduced in January 2013 to establish the Integrated Plan as an ongoing state priority; and 2) seek a monetary commitment by including the Integrated Plan in the capital budget. Doing these things will send a solid message to Congress that the YRBWEP Workgroup and Washington State are united behind the Integrated Plan; that the Integrated Plan is a good investment. Governor Gregoire noted that, to date, the State has made a \$480-million commitment to the Columbia River, and the Governor promised to fulfill that commitment. Governor Gregoire thanked the Workgroup members for their efforts.

Framework for Implementation Report Update

Principles and Guidelines – Four- Account Display by Ernie Niemi, *Natural Resource Economics*, and Ann Root, *ESA*

Ernie Niemi and Ann Root provided a presentation on the Four-Accounts Analysis of the Integrated Plan. The analysis is per the 1983 *Federal Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies* (Principles and Guidelines). The presentation included information on costs and benefits (National Economic Development [NED]); impacts of expenditures (Regional Economic Development [RED]); Environmental Quality (EQ); and Other Social Effects (OSE).

In the Four-Accounts Analysis, NED benefits are quantified under three categories: 1) fish-related benefits; 2) agriculture-related benefits; and 3) municipal/domestic benefits. Ernie explained how these benefits are quantified, and also discussed what NED benefits are not quantified. Several graphs were reviewed depicting NED benefits and costs under a 30-percent supply for proratable irrigation districts during drought conditions. The range of Integrated Plan costs were compared to a range of calculated benefits. Benefits included increases in salmon and steelhead populations, improved agricultural output during severe droughts, new water to support anticipated growth, and increased security for current municipal/domestic groundwater users above Parker Gage. The resulting programmatic-level benefit-cost ratios ranged from 1.4 to 3.2.

RED impacts were also reviewed, which are based on activity, not values. RED impacts include output, personal income, and jobs; resulting from construction expenditures, operation and maintenance (O&M) expenditures, and increased agricultural production during severe drought years. Implementation of the Integrated Plan would create benefits in RED impacts for each type of expenditure; both in the four-county study area (Yakima, Kittitas, Benton, and Franklin¹ counties), and statewide. The Integrated Plan would generate \$20 to 690 million, and up to \$790 million, between construction, O&M, and agricultural outputs, for the four-county study area, and Washington State, respectively. This includes creating approximately 10,100 jobs for agricultural production in the four-county study area. Ernie noted that RED impacts by type of expenditure are not readily comparable; and he added that in terms of agricultural production, the models assumed the existing crop pattern would not change. A discount rate of 4 percent was applied to RED impacts in accordance with U.S. Office of Management and Budget (OMB) Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs.

Ann presented the EQ and OSE analyses, and noted that the analysis is part of the Four-Account analysis and separate from the National Environmental Policy Act (NEPA) analysis. Methods for evaluation were reviewed, which were the same for both EQ and OSE. The EQ and OSE category rankings and weightings, and a comparative display of EQ and OSE with the Integrated Plan and with

¹ Franklin County, although it is located outside of the basin, was included in RED impacts because the county is economically integrated with Benton County.

the No Action Alternative were also discussed. The EQ and OSE categories were weighted on a scale ranging from +3 to -3, with 0 equaling no change from existing conditions. The analyses indicate the overall trend with the Integrated Plan is positive, while the overall trend with No Action is negative. Integrated Plan key benefits for EQ include +3 ratings for prorationing and municipal water resources, fish numbers and passage, and riparian vegetation. Other high ratings include instream flows, steelhead recovery, and water-based and land-based recreation. The key benefits for OSE include cultural subsistence resources, protection and enhancement of ecosystems and biodiversity, and improved water supply reliability (sustainability benefits).

Workgroup Comments (Primarily on EQ/OSE)

- Dave Fast – In the comparative displays, why are negative values indicated for “No Action”? Should those values be “0”? *The No Action Alternative is not simply “no action.” The alternative includes a number of actions that could benefit water resources and fish. The negative values reflect analysis results that conditions in some categories would get worse over time.*
- Alex Conley – In fisheries analyses, bull trout was most difficult to analyze. How did you balance your bull trout analyses? *There were no additional analyses performed; instead, existing data were applied.*
- Michael Garrity – In the comparative display of EQ, how do you have a negative significance value for private property acquisition with the Integrated Plan? Why was there no change for designations? *The negative value associated with private property acquisition represents all the property that would be acquired under the Integrated Plan, including land for reservoirs, riparian enhancement, and for other projects such as the K-to-K pipeline, not just the properties acquired for watershed enhancement.*
- Bob Hall – This information is critical to the process, and two elements are missing: 1) bankers need to understand the cost-benefit analysis; and 2) it does not appear that the active environmental community performed a review or provided input on the EQ and OSE elements. Before we get to the policy level, we need to have this understanding. *For consistency, the EQ/OSE analyses included participation were by the same Reclamation staff that participated in the similar analyses for the Storage Study.*

Public Comment

- Chris Maykut – How can the score for old growth be ‘0’ when 2,000 acres of old growth at Bumping Lake are being inundated? *Analyses considered the overall impacts of the Plan on old growth. Other property acquisitions would help offset impacts to Bumping. However, there appears to be an error in the table and it will be revisited. Also only 900+ acres would be inundated at Bumping Lake under the Integrated Plan, not 2,000.*
- Joel Freudenthal – How broad are the OSE benefits? The categories seem to be double counting agricultural elements. *We tried to avoid double counting. For example, instead of addressing*

irrigation only, the overall system functionality was addressed. However, minimal double counting may have occurred. What about impacts to social load; was this considered? That was not analyzed.

Steve Malloch – We tried to be really clear that the Teanaway acquisition was not mitigation for impacts at Bumping Lake. To say that Teanaway offsets Bumping leads into negative responses, and we will need an opportunity to contribute to this. There will be problems if this is final. *The statement about “offset” was incorrect. Additional mitigation will be required for specific project impacts as described in the EIS; and the EQ values are based on the overall balance of the plan.*
Preliminary Cost Allocation Analysis by Wendy Christensen, Reclamation

- Wendy presented summary information on the preliminary programmatic-level cost allocation. The term, “cCost allocation,” what constitutes “preliminary,” and other key terms were defined. Key inputs were described, including primary purposes, value of benefits, and financial costs; many of which have ecological components. The step-by-step procedure on cost allocation includes: 1) establishing “justifiable expenditure,” by purpose; 2) defining “specific costs,” by purpose; 3) defining “joint costs;”; 4) allocating the joint costs by purpose; and 5) for each purpose, adding the allocated joint costs to the specific costs for each purpose. Preliminary costs allocated for each purpose of the Integrated Plan include \$2,440 million for ecological restoration (69.3 percent), \$729 million for agricultural irrigation (20.7 percent), and \$351 million for municipal and domestic supply (10 percent).

Workgroup Comment

- Bob Hall – What does \$3.5 billion represent? *That is the current value of the Integrated Plan. Currently, construction costs equal \$3.2 to 5.4 billion. How do these numbers compare to Black Rock? They are not really comparable. Black Rock benefits did not have a positive benefit-cost ratio.. In order to do a cost allocation the benefits must equal or exceed the costs. Since the benefit-cost ratio of Black Rock was 0.17:1 there is no way to allocate costs. Therefore a cost allocation cannot be performed on Black Rock.* Bob suggested this will need to be explained in more detail.
- Alex Conley – Are joint costs allocated by essentially subsidizing other costs? *No. Joint costs are based on reduced costs (i.e., taking the lesser value).*

Public Comment

- Chuck Klarich – Were all of these impact studies performed with the assumption that 100 percent of all projects and benefits will be achieved? *The evaluation was conducted on the entire Integrated Plan.* Chuck’s opinion was that those assumptions are incorrect.

Targeted Watershed Protections and Enhancements – Update by Michael Garrity, American Rivers

Michael Garrity said in January 2012, a report outlining designations was distributed that contained ambiguity on how the wilderness, wild and scenic, and national recreation designations would meet

concerns. Bill Ross is now facilitating discussions to develop recommendations on how to revise this part of the Integrated Plan to be more specific and address both the economic and environmental concerns that have been raised. Meetings are ongoing to develop recommendations to the Workgroup's Watershed Lands Subcommittee. The goal is to refine the plan as best as possible based on input received. A recommendation to the Watershed Lands Subcommittee will be ready by the end of the year.

Workgroup Comment

- Stuart Woolley – Has there been discussion on travel planning and motorized use? *Several people are engaged in those discussions. There may not be an explicit link between those processes; however, people will have an ability to inform the Watershed Lands Subcommittee.*

Implementation Subcommittee Update by Derek Sandison, Ecology and Dan Silver, Consultant
Dan Silver introduced the Implementation Subcommittee. This year, the subcommittee has convened at least once a month, working to shift energy from development of the Integrated Plan to implementation of the plan. The subcommittee is working simultaneously with state and federal funds to develop different scenarios for 5-year budgets. A constraining factor will be Olympia's ability to match funds requested from Congress. The goal is to have Integrated Plan funds set by fiscal (FY) 2015.

Recent Washington DC Visit by Implementation Subcommittee members/alternates (Derek Sandison, Urban Eberhart, Phil Rigdon, Mike Leita, and Michael Garrity)

The Implementation Subcommittee members characterized the mid-September Washington DC visit as productive and encouraging. There was a broad sense of support and awareness of the Integrated Plan and Workgroup efforts; and discussions were held with several agency and congressional staff. The subcommittee met with several federal entities, including staff at NOAA, U.S. Department of Commerce, Office of Representative Doc Hastings, U.S. House Committee on Natural Resources (Resources; both majority and minority staff), Office of Senator Patty Murray, OMB, U.S. Department of Agriculture Natural Resources and Conservation Service (USDA NRCS), U.S. Forest Service (USFS), Bureau of Indian Affairs (BIA), Reclamation, USFWS, Office of Representative Dave Reichert, and Senator Maria Cantwell's office. Key discussion points included the following:

- Based on discussions with NOAA, the U.S. Department of Commerce seemed interested in assisting with Integrated Plan implementation.
- Congressman Hastings' staff and Resources' staff offered advice on requesting funding from Congress. They also expressed interest in details for long-term implementation; Congressman Hastings staff wanted to better understand how storage in the Integrated Plan will be advanced along with other actions, and emphasized the importance of continuing to move storage forward along with other actions.

- Resources' staff expressed appreciation of the resolve that has come from the YRBWEP Workgroup, and said this encouraged them to engage in this plan.
- OMB staff was interested in further details on budget requests.
- USDA NRCS has programs that could fit into the Integrated Plan, and they suggested contacting the USDA NRCS State Conservationist to discuss ways to further cooperate. USDA NRCS expressed interest in supporting the Integrated Plan, and should be considered for a supplemental funding source.
- Water supply and values in the upper watersheds have not yet been quantified in the plan, and this should be addressed.
- Outreach to federal agencies at the regional levels needs to be a focus.
- Reclamation, BIA, and USFWS staff applauded the Integrated Plan for becoming a model for entities across the nation; they are working to establish a federal "interagency group" that can assist in coordinating implementation of the Integrated Plan.
- Senator Patty Murray's staff is interested in better understanding near-term actions and what funds will be requested.

Mike Leita expressed confidence that conservation projects will likely be funded; however, he noted that the largest component of the Integrated Plan is storage, and how that will move forward is still being worked out. Urban Eberhart added that a handout outlining proposed projects and goals for Manastash Creek was distributed at each meeting as an example of a good candidate for early implementation. Derek Sandison also added that regarding upcoming federal budgets, funds were not necessarily requested; rather, estimated costs were presented. Regarding regional outreach, Wendy said that Derek, Jerry Kelso, and she had briefed the Bureau of Land Management (BLM) on the Integrated Plan, and they also plan to have discussions with the NRCS regional office (State Conservationist).

Dan recognized the hours and effort the Implementation Subcommittee has devoted to this endeavor. He noted that an immediate challenge will be working with a new governor; and that there will more work at the State level to keep the momentum.

Education and Outreach Status by *Mike Schwisow, communications consultant*

Mike Schwisow introduced the website, www.yakimabasinplan.org, and reviewed available features and information that can be found at the site. A goal of the website is to target folks outside of the basin, and also targets three groups: 1) agriculture; 2) municipal; and 3) civic. The focus of targeting the agricultural groups is to access their policy process; as the Integrated Plan has progressed to the point of legislation and appropriations requests. The site is also aimed to target folks who have a presence in Olympia. A site user can request a presentation (by an Implementation Subcommittee member, or Mike); presentation formats are different depending on the audience. Mike asked Workgroup members to review the site and provide recommendations on site improvements.

Workgroup Comment

- Bob Hall – Is there a presentation schedule posted to the website? *A schedule will be posted on the website, including an indication if the meeting is open to the public, or closed.*
- Rick Dieker – Will there be a misconception of the plan when certain aspects of the plan change after it is already presented? *The plan is not static, and presentation of the plan will also evolve. Also, guidance from the Workgroup will be sought to field questions.*

Public Comment:

- Chris Maykut – Chris shared his experiences at Bumping Lake and provided Friends of Bumping Lake comments opposing the proposed Bumping Lake expansion (see handout attached to meeting notes).

Workgroup Members in Attendance

Dale Bambrick, National Marine Fisheries Service

Dave Brown, City of Yakima

Alex Conley, Yakima Basin Fish & Wildlife Recovery Board

Rick Dieker, Yakima-Tieton Irrigation District

John Easterbrooks, Washington Department of Fish and Wildlife

Urban Eberhart, Kittitas Reclamation District

David Fast, Yakama Nation

Michael Garrity, American Rivers

Bob Hall, Yakima Basin Storage Alliance

Paul Jewell, Kittitas County

Mike Leita, Yakima County

Scott Revell, Kennewick Irrigation District

Phil Rigdon, Yakama Nation

Derek Sandison, Washington State Department of Ecology

Jim Trull, Sunnyside Valley Irrigation District

Ron VanGundy, Roza Irrigation District

Dawn Wiedmeier, Bureau of Reclamation

Stuart Woolley, U.S. Forest Service

Other Attendees

David Bowen, American Forest Land Co.

David Child, Yakima Basin Joint Board

Wendy Christensen, Bureau of Reclamation

Stuart Crane, Yakama Nation

James Davenport, JH Davenport, LLC

Warren Dickman, Yakima Basin Storage Alliance

Bill Ferry, Bureau of Reclamation
Ben Floyd, Anchor QEA
Joel Freudenthal, Yakima County
Don Gatchalian, Yakima County
Kristi Geris, Anchor QEA
Perry Harvester, Washington Department of Fish and Wildlife
Lynn Holt, Bureau of Reclamation
Joel Hubble, Bureau of Reclamation
Eleanor Hungate
Jerry Kelso, Bureau of Reclamation
Chuck Klarich, Yakima Basin Storage Alliance
Paul La Riviere, Washington State Department of Fish and Wildlife
Walt Larrick, Bureau of Reclamation
Barb Lisk, Office of Representative Doc Hastings
Chris Lynch, Bureau of Reclamation
Steve Malloch, National Wildlife Federation
Chris Maykut, Friends of Bumping Lake
Keith McGowan, Bureau of Reclamation
Jim Milton, Yakima-Tieton Irrigation District
Bob Montgomery, Anchor QEA
Bryan Myre, Yakama Reservation Irrigation District
Tom Myrum, Washington State Water Resources Association
Ernie Niemi, Natural Resource Economics
David Ortman, Sierra Club
Elaine Packard, Sierra Club
Kelly Reed, Anderson Perry
Davis Reeploeg, Office of Senator Maria Cantwell
Tom Ring, Yakama Nation
Ann Root, ESA
Mike Schwisow, Schwisow & Associates
Teresa Scott, Washington State Department of Fish and Wildlife
Dan Silver, Independent Consultant
Elaine Smith, League of Women Voters
Rob Swedo, Bonneville Power Administration
Jeff Tayer, Consultant
Tom Tebb, Washington State Department of Ecology
Rebecca Thornton, Office of Senator Patty Murray
Bob Tuck, Yakima Basin Storage Alliance
Darrell Wallace, Back Country Horseman of Washington

Next Workgroup Meeting

The next meeting will be held December 12, 2012, at 9:30 AM at the Yakima Arboretum. A meeting notice and agenda will be distributed in advance of the meeting.

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, see contact information listed at the top of page 1 or contact Ben Floyd at Anchor QEA, Richland office, (509) 392-4548 x102, or bfloyd@anchorqea.com.