

# ICICLE STRATEGY

## Icicle Work Group Meeting and Field Trip

*Fire Hall - Fire District #3, 228 Chumstick Hwy, Leavenworth*

*Thursday, September 8, 2022, 9:00am – 5:00pm*

### Meeting Summary

**Members/Alternates Present:** Sharon Lunz (via Zoom), ICWC; Melissa Downes, Ecology-OCR; Brock Hoenes, WDFW; Mike Kaputa, Chelan County; David Child, Reclamation; Mat Maxey, USFWS; Greg McLaughlin, WWT; Carl Florea, City of Leavenworth; Levi Jantzer, IPID; Cory Kamphaus, Yakama Nation; Lisa Pelly, TU; Bob Bugert, Chelan County; Tom Wachholder, City of Leavenworth; Shelby, City of Leavenworth; Erica Taecker, USFS; David Blodgett, Yakama Nation; Nate White, WDFW; Bill Gale, USFWS

**Guests Present:** Kim McDonald, Sierra Club; Isabel Menna (45 min), Cascade High School; Jeff Ostenson and Charles Atkinson, North 40 Productions;

**Staff/Consultants Present:** Dan Haller, Aspect Consulting; Mary Jo Sanborn, Chelan County; Peter Dykstra, Plauche & Carr; Cynthia Carlstad, NHC; David Rice, Anchor QEA; Stephen Lesky, Chelan County

### Budget Items

#### Current Proposed Funding Allocation

The budget spreadsheet was reviewed, which included funding allocations for the following tasks:

Admin, Facilitation, Technical Support	\$360,000
Instream Flow Rule Amendment	\$ 25,000
City of Leavenworth Items	
Rate Study	\$ 23,000
Source Replacement Feasibility	\$500,000
Leak Analysis	\$ 9,000
Conservation and Drought Plan	\$ 50,000
IPID Fish Screen Construction	\$230,000
Habitat Improvements Design (historic Ch)	\$100,000
Alluvial Water Storage Design	\$150,000
Boulder Field Adaptive Management	\$ 25,000
Decision Support Tool Update	\$100,000

#### Discussion:

- David Blodgett asked about the City of Leavenworth source replacement study, if this project moves forward will the City decommission the diversion and not use it for expansion?
  - Carl Florea confirmed that decommission of the diversion is the City's intent if this project is feasible and the City moves ahead with it. Previous administrations would

not consider this option. The City needs to invest in other repairs, upgrades to the delivery system tied to the Icicle diversion so the timing of this study is important.

- What is the timeline for the City's Rate Study and will it inform IWG actions?
  - Carl and Tom noted that they would like to start the rate study this winter, then bring results to the IWG. The new smart meters will inform work.

*IWD Decision: IWG Approves All Funding Allocations Proposed in the Budget Spreadsheet.*

### Lookahead 2023-2025 Goals

Review of the 2023-2025 look ahead budget items follows the column in the funding allocation spreadsheet. The Steering Committee discussed these at a high level. These are placeholders to assist Ecology with budget planning and help identify match needs; there are no commitments.

Melissa noted that OCR has requested \$49,000,000 in the state budget process. This includes an increase in efforts in the Icicle to \$5,000,000. Next steps are for the agency budget package to go to Office of Financial Management (OFM) next week, then to the Governor's budget planning staff.

### Discussion:

- Greg asked about the timeline for knowing next biennial budget and then these funds could be used. Melissa noted the Governor's budget can be previewed in December, then it will likely be April or later for the legislature to make decisions. Funding will be available early August 2023.
- Lisa commented that she would like to see sponsors bring matching funds to the State OCR dollars. Bill noted that now is a good time to explore matching funds to stretch state funds, and it's important to remember that some projects rely on all funds from other sources, like projects at LNFH that are fully funded by Reclamation. David Child said it would be good to discuss funding opportunities and explore who can apply for what. Cynthia suggested the Steering Committee could discuss funding opportunities to target and also the expectations are for matching funds. Currently, there are no match requirements to access Icicle OCR funds. Peter noted it is important to understand expectations, and the historical context. Hopefully, the Steering Committee becomes the place to work on this.

\*\* Follow up with Steering Committee. Mary Jo has an old spreadsheet that she created to show all project funders. This could be a place to start and re-vise. Could include funding opportunities as well.

### **Icicle Strategy Municipal Water Element**

This is a start to more focused discussions on how the IWG will fulfill the municipal water supply elements of the Icicle Strategy. No decisions will be asked for today.

### Guiding Principles

The IWG reflected on the guiding principles earlier this year and based on that discussion, Cynthia and Peter believe the IWG is still committed to them. For the domestic/municipal Guiding Principles, this includes supporting 1,750 acre-feet for domestic supply divided between the City of Leavenworth and Chelan County.

The Icicle Strategy Programmatic EIS identified Eightmile Lake as the source for the domestic supply water, however through the newer work on the Eightmile Dam Rebuild EIS, we know that the water stored in Eightmile Lake beyond what IPID needs for irrigation will provide instream flow only. This leaves a hole in the Icicle Strategy that will need to be filled. Mike noted the 1,750 ac-ft is to meet demand until at least 2050. It could take longer until that is needed.

#### City/Ecology Litigation

Melissa summarized the litigation stating that 10 years ago the City filed a lawsuit asking questions about a 1991 water right. The City asked for clarification on the annual volume. The outcome was that Superior Court ruled that the volume was correct. The City appealed that ruling around the same time that the Icicle Work Group was convening. The court issued a stay while the City and Ecology participate in the Icicle Strategy process to resolve the gap that the City believes they have.

#### City/County Coordination

Mike described three ways that the County and City coordinate on water.

- 1) Under the state Growth Management Act (GMA), a number is used for growth projections and the County and City need to agree on the projection split between where future growth will occur within the County and City. The numbers used are negotiated by both entities. The first step is to agree on what growth projections are used and then where will the growth go (County or City). Currently, actual growth is higher than the OFM high projections made previously for the Leavenworth area.
- 2) The County and City have an interlocal agreement outlining which entity will serve parcels outside City limits. The City receives 'hardship requests' from County residents that would like to connect to the City water system, and they need to respond. This interlocal agreement needs to be updated.
- 3) Wenatchee Watershed Coordinated Cost Reimbursement – this process existed prior to the IWG forming and was an outgrowth of the Wenatchee Watershed Plan and Instream Flow Rule. This process allocates water under the reserve.

Mike described zoning tools that are being used across the County to increase density. It is difficult to predict with variations in the economy, however we could see more of this. Greg noted that increased density may not result in higher water use if more is used indoors and less outdoors (smaller or no yards). In terms of consumptive use, domestic indoor use is small.

Mary Jo described how the County tracks domestic water use under the 2022 Water Code. The County uses a database called Riverbank. New building permits that meet the requirements of the code (in Lake Chelan, Entiat and Wenatchee Watersheds) must apply for a water mitigation certificate. Once approved that new water use is debited in Riverbank to the appropriate reserve. The remaining reserve totals are tracked. If a parcel has separate irrigation water (i.e. COIC, IPID) then an indoor use debit is made only. If no irrigation water is available, the building is debited for both indoor and outdoor use.

### County-City Water Conservation

Mary Jo and Stephen Lesky described work to date to develop a new Water Smart Landscaping Program under the Icicle Strategy. Draft criteria for the program has been developed based on extensive research of similar programs throughout western states. This will be an incentive-based program to encourage landowners to replace high water demand lawn with low water demand native landscaping. The draft program criteria is:

- Min 50% plant coverage (low water demand, native plants)
- Drip irrigation
- 18 months to complete the project
- Maintain for duration of ownership
- New construction is eligible
- Reduced rate for low water demand lawn alternatives

The program will offer resources to landowners and information to coordinate with Master Gardeners, Cascadia CD, and Fire Wise programs.

Rebates being discussed range from \$1.50-\$2.00 per square foot of grass removed. The actual cost to the landowner would be a minimum of \$8.00/sqft.

Mary Jo discusses a demonstration garden that will be implemented at Icicle River Middle School in Leavenworth. This is a partnership with the school and Cascade School District. Students will help design the new garden, select plants, and help plant during implementation. The area will include approximately 9,600 square feet of lawn removed and will incorporate outdoor learning space.

Discussion included the following points:

- Be creative with incentives, it can be very hard to get contractors to do this work. Look into using Americorps or WCC crews to help with installation.
- How can we make this financially attractive? This is hard work for landowners and can be very expensive. Consider helping landowners access contractors by keeping a certified list, for example.
- The ultimate goal is for culture change on how people use water, this will not result in a lot of water savings compared to other conservation elements of the Icicle Strategy, but is still important.

### Instream Flow Rule

Cynthia reviewed the language in the instream flow rule (2007 amended rule) for future municipal/domestic use reserve for Icicle,

*“Icicle Creek near Leavenworth: Up to 0.1 cfs. Reservation of an additional 0.4 cfs will be considered after completion of flow restoration efforts targeting habitat between the city of Leavenworth and Icicle Irrigation District's point of diversion and the U.S. Fish and Wildlife Service hatchery return. Rule making will be required to establish this additional reservation.”*

As we discuss the instream flow rule amendment, this is what we're focused on.

Discussion on Instream Flow Rule Amendment:

- Mike would like the group to consider the timeline – how much time does Ecology need for rulemaking? Could the IWG develop a plan for when Ecology is ready? Discuss timing for flow restoration.
- Cory noted that water needs to be instream before we take more out.
- Mike said that rulemaking is needed for the entire Wenatchee, not just the Icicle. The County tracks water use and is trying to plan ahead to avoid any potential building moratoriums. He would like a plan on how this will occur. A plan to show the timeline of projects that will result in increased instream flow to help inform this domestic guiding principle.

Discussion on overall municipal/domestic element topic:

- Lisa said that municipal options can be a big discussion, and could take significant time. She'd like the IWG role to be clear.
- Peter noted this topic is a response to Steering Committee request and specifically the City's project proposal where there were questions.

### **Updates, Upcoming Meetings, Public Comment**

Icicle Videos – Jeff Ostenson gave an update on the development of 5 new videos. Drafts will go out next week. The host was filmed in studio. Once the host script is finalized, they will film the host in the field. It is critical that North40 get IWG review of the host scripts in time so that filming in the field can be done before areas are snowed in. Mary Jo will send out materials for review soon. IWG members were asked to do the following: 1) Review host script and provide edits, 2) If you were interviewed please review your interview and provide feedback, questions, etc.

In order to get the host filmed outside in good weather, we will need timely review!

Conservation Story Map – the updated version was sent to the Steering Committee for review, no edits were received. Now, this will go to the IWG.

#### 2022 Lake Release Coordination

This small group including Chelan County, Aspect, IPID, LNFH, and WDFW has met three times so far to coordinate releases by IPID and LNFH and WDFW data collection. Once lakes are closed in the fall, a summary will be provided at an upcoming meeting.

#### Eightmile Lake Dam SEPA EIS

Planning to release the draft EIS in October with a 60-day comment period. Public meetings will be in November, likely both in-person and virtual.

#### Tribal Adaptive Management

IPID is working with Yakama Nation on drafting an MOU for Tribal fishing access on IPID property near the Boulder Field. Currently working on access, signing needs, etc.

For the geomorphic study, NSD field work in the historic channel is completed. They are working on they hydraulic model right now.

## COIC

A meeting was held last night among COIC shareholder advisory committee and Board to discuss construction timelines and details. Greg summarized the meeting sentiment that everyone is working together to get this project to the finish line. Significant coordination was needed this summer to resolve canal water issues during SWISP construction.

There are some upcoming funding needs to assist with technical support and construction management. A scope of work is currently being developed. David Child noted that the success of COIC implementation directly impacts the success of the SWISP project. Cynthia suggested this is a project that the IWG may want to lean into as a group to support. Bill Gale supported this statement in that the hatchery operations and production is closely tied to this, so it's very important for all to work together to get this project done. Melissa noted that if a funding request will come to the IWG at a future meeting, Ecology will need a clear understanding of the instream flow benefit by reach.

12:30 Adjourn for lunch

1:00-5:00 Field Trip to Boulder Field, Snow Lakes Trail Bridge, City of Leavenworth Fish Screen, IPID Screen (under construction), tribal fishing access, LNFH SWISP (drive by), LNFH Circular Tanks, and Lower Icicle Fromm Habitat Project.