

ICICLE STRATEGY
Icicle Work Group Meeting
Conference Call
Thursday, April 14, 2022, 1:00-3:30 PM
Meeting Summary

Members/Alternates Present: Carl Florea, City of Leavenworth; Chuck Brushwood, Colville Confederated Tribe; Cory Kamphaus, Yakama Nation; Jim Craig, USFWS, Christi Davis-Kernan, Reclamation; Jeff Dengel, WDFW; Melissa Downes, Ecology-OCR; Bill Gale, USFWS; Greg McLaughlin, WWT; John Sirois, Colville Confederated Tribes; Levi Jantzer, IPID; Lisa Pelly, TU; Mat Maxey, USFWS; Brock Hoenes, WDFW; Sharon Lunz, ICWC; Erica Taecker, USFS; Nathan White, WDFW; Ryan Williams, CCD; Dan Wilkinson, COIC

Guests Present: Margie and David Van Cleve, Sierra Club; David Ortman, private citizen; Thom Peters, Alpine Lakes Protection Society; Keith Goehner, State Representative

Staff/Consultants Present: Mary Jo Sanborn, Chelan County; Cynthia Carlstad, NHC; Dan Haller, Aspect Consulting; Peter Dykstra, Plauche & Carr; David Rice, Anchor QEA; Jeanne Demorest, Reclamation; Bruce Sully, Reclamation; Ingrid Ekstrom, Ecology-OCR; Lisa Adolfson, ESA

Welcome, Agenda Review

Membership Changes: Jeff Dengel will be focusing more on Walla Walla and less on Icicle in the future. Nate White, WDFW, will shadow Jeff for a period before taking his place on IWG. Tony Jantzer is replaced by new IPID Manager, Levi Jantzer. Tony, although retired, will continue to assist with some IPID projects.

Operating Procedures

IWG Decision: No final comments. Representation edits were made. IWG Approves the Updated Operating Procedures.

Guiding Principles – Instream Flow: Mechanisms for Protecting Water for Instream Flow and Current Icicle Strategy Projects/Actions Instream Flow Element

Peter gave a presentation focused on how water rights can be protected as instream flow under WA water law and where instream flow protections are anticipated for Icicle Strategy projects and actions. The presentation reviewed fundamental principles in WA Water Law, how water rights can be moved, the types of instream flows and ways to protect them (see copy of presentation for details). It also described anticipated instream flow elements for current Icicle Strategy projects.

Question/Comments:

Greg: in a case where an adjudicated water right is split, can you describe priority with retained irrigation vs instream flow (split to maintain some of historic use).

Response: Statute provides that original use retains priority over instream flow unless agreed to something different.

Margie: If a landowner is in an irrigation district they don't own rights and can't sell water?

Response: That's correct. The entity that can enter into the process is the holder of the water right. In most cases the irrigation district holds the water right. In that case, only the district can enter into an agreement where water is used for instream flow.

Margie: Where and how will Ecology evaluate some of this in regards to Eightmile Lake?

Response: Ecology will be able to discuss that after the draft EIS is released.

Sharon: Regarding water markets, what is an example of how agriculture reliability would look?

Response from Dan: The premise is that if senior rights were purchased and retired permanently, interruptible holders could swap to senior holder so they could rely on not being interrupted. The water trust would need to be set up for this with this intent. The instream flow dedication would be designated to offset this other use, it would be a situation where this water was not placed in trust for instream flow only. Other uses would be designated. Depending on where the agricultural user withdrew the water, there could still be reach-scale instream flow benefits between where the senior right holder previously diverted and where the interruptible user diverts.

These details are in the application and then the ROE that results from that application.

Lisa Pelly: Will all Icicle projects instream flow elements that go into Trust act as a water bank?

Response: No, water banks are one strategy. There are different ways to use the Trust Water Rights Program, not all Trust water rights are used for water banking.

Sharon: This is very helpful. I have an underlying concern about how the disconnect when public funding is used for a project with no written commitment for trust/water right change. Is this typical? If funding comes from IWG should IWG put restrictions for instream flow benefits on the funding?

Response: That's a better question for project proponents to think through. The timing of a water transaction is an element of each individual project. It could be dependent on the funders and what they are interested in. That is the question the IWG should discuss.

Dan – I think the IS is moving from a 'trust me' to a 'show me' phase. When a project is at the feasibility level, most funders don't make this kind of requirement. Once you are moving to construction, those commitments are expected.

Bill – Need to get passed design and get to more certainty in projects. Need some level of flexibility as well.

Cynthia: We would like to check back in on this topic in July.

Budget

We will be doing some big picture budget planning for 2023-2025. Cynthia shared a high-level starter list to help identify priorities. The Steering Committee will have a budget work session May 12th to work on this.

Melissa – OCR is currently going through its agency budget development at a conceptual level. For the greater Columbia basin, they have a \$48 million request. The current biennium requested \$40 million and received \$45 million. The sentiment is to finish what we've started – focusing on current efforts like the Icicle Strategy. OCR is looking at an equal or slightly larger request for the Icicle - \$4 million or a little higher. Current effort is high level until they get feedback on the scale of the current request. During the summer they will focus on more detail on budgets. Capital budget requests are due to OFM in September.

Discussion on potential funding priorities in 2023-2025:

- Tribal Fishery AMP: implement projects that come out of the geomorphic assessment currently being done.
- Expect that the Eightmile Lake Rebuild will be constructed during this time
- LNFH has not relied on OCR funds. There was discussion on Structure 2 (passage improvements) as it is not a priority for Reclamation funding at this time. This could be something the OCR funds focus on at the hatchery.
- Possibly COIC to finish up construction if needed. Greg intends to fund COIC with funding other than OCR. The only question may be if cost of materials increases which are difficult to predict right now
- Conservation focused projects could be implemented. Others include IPID Pump Exchange, Alpine Lakes Automation, habitat projects like barriers, Alluvial Water Storage project.
- Other programmatic efforts like outreach, monitoring, etc.

Questions/Comments/Input for Steering Committee May 12 Work Session

- Sharon: what is Structure 2 fish passage?
 - Response, Jim – this is in the implementation plan (and Icicle Strategy). The premise is that a more conventional fish ladder would be very beneficial at Structure 2. It could balance keeping fish in the pool for the Tribal fishery and brood stock collection while allowing native fish to migrate upstream. It could create a better balance and improve flexibility.
- Lisa: Are project sponsors looking at federal funding as well with increases over the next several years?

- Response, Cynthia- we will need to consider other potential sources, match, etc. If you have more thoughts let Cynthia and Peter know to help prep for the May meeting. Then more details will go to the IWG at the July meeting.

Short Updates

- Tribal Fishery AMP: NSD is working on the geomorphic and hydrologic assessment by collecting data for the hydraulic model and planning the field work. Aspect is working on permitting and design details for the restroom and access improvements.
- Website – Mary Jo advertised a request for qualifications. SOQs are due soon and will be reviewed and scored to select the best consultant. The outreach committee will be asked to assist in review.
- Water Conservation StoryMap – final draft includes input received to date and can go to the IWG as soon as Cynthia gives the thumbs up.
- IPID Fish Screen – Jeff: Fabrication is complete. Will mobilize late October for installation. WDFW lost staff and due to a need for overtime, labor costs were higher. May need to request additional funds to cover those costs.

Levi: Progress on IPID's work has been going very well until this week. We've gotten a lot of dense snow this week which slowed things down. 30 yards of concrete is left to pour next Thursday. They planned to get water to the end of the canal May 1, but due to the weather this week, we will delay by a few days.

- Eightmile Lake Rebuild EIS – Melissa: We are working to develop the draft and looking for that to be out at the end of June. Should have more details at the Steering Committee meeting in June.
 - Margie – what will the process be for Ecology to take steps to put water into trust if that happens? Melissa – the EIS is looking at environmental impacts from proposed actions of rebuilding the dam. The process for these steps will come after the EIS. Good questions to discuss via Peter with Wilderness Stakeholders later this year.
- COIC – Greg has re-started the biweekly coordination calls. A big next step is finalizing the letter from COIC to Ecology soon as a response to the water right strategy. This will help define how the resulting changed water rights will look. Will have more by next Steering Committee. Dan Wilkinson noted that COIC is in a tough spot right now. They are ready to purchase property for the pump station but that is a big financial step and they are hesitant without knowing whether they will receive approval to change the water right under the conditions approved by COIC shareholders. When COIC started this project, a key contingency with the shareholders is to keep 8 cfs and they need that guarantee.
 - Bill – To clarify, Greg has a letter that will go to Ecology within a week or so? Greg – I think so, we're working to thread the needle of being able to meet needs of shareholders. Bill – How soon will Ecology be able to review letter and provide certainty? Any delays on this project are tough. Melissa – We have a

permit person participating in the biweekly calls. We recognize this is a keystone project and important. Without knowing what the letter will say, it's hard to predict next steps.

- LNFH Circular Tanks (Jim) – The initial group of fish in the tanks were released this week. The fish looked really good and healthy. They are fine tuning the system. Very positive results. A subgroup of fish was tagged so metrics can be assessed immediately.
- LNFH SWISP (Jim)– Phase 1 intake - Pipkin Construction is holding weekly meetings to coordinate. Mobilization will be next week for site access and ground prep. Phase 2 pipeline rehab will be delayed a year due to some contracting. Video surveillance of pipeline next spring. Phase 3 veg surveys are happening now.
- IPID Pump Exchange – Working on some large-scale funding coordination with various potential funders for both construction and long-term O&M. IPID and Chelan County hosted a community meeting for landowners near the Dryden pump station location.

Public Comment – None.

Upcoming Meetings

May – Steering committee budget work session

June – Steering Committee.

Next IWG Meeting in July – we would like to do some kind of field trip. Also would like to consider a different date. NOAA representative Justin Yeager has a standing conflict on the 2nd Thursday of each month. To start, we would like a new date in July to get Justin to be able to participate. Expect that to be in person and include a field visit.