

Final Notes
Bear River License Implementation
Environmental Coordination Committee Meeting
September 15, 2004
Grace, Idaho

Decisions/Commitments Made at the September 15, 2004 ECC Meeting	
Monte Garrett	<ul style="list-style-type: none"> • Provide newsletter template to ECC • Email American Fork Decommissioning document to ECC members. • Check with PacifiCorp about the possibility of the company paying for a portion of decommissioning costs for Cove. Communicate the tenor of the ECC. • Talk with Black and Veatch about a more limited scope of decommissioning • After the Oct. 13 conference call, develop PacifiCorp response to ECC proposal for Cove decommissioning
Mary Lucachick	<ul style="list-style-type: none"> • Send Vista website (an example of a possible website for ECC use) to Monte Garrett and Miriam Hugentobler
Deb Mignogno	<ul style="list-style-type: none"> • Research other FERC decommissioning projects
All	<ul style="list-style-type: none"> • Participate in scheduled conference calls: <ol style="list-style-type: none"> 1) Sept. 21, 9 a.m., ECC members debrief on PacifiCorp's call with Idaho Water Resources Board. 2) Sept. 27, 1 p.m., ECC Caucus (w/o PacifiCorp) to discuss proposal for Cove decommissioning. 3) Oct. 13, 10 a.m., ECC Caucus provide proposal for Cove decommissioning to PacifiCorp for management consideration. • Review and provide comments on Black Canyon Monitoring Plan (Sept 30. – Oct. 10). Discuss at the site visit and Oct. 20 ECC meeting. • Monthly meetings have been scheduled through March 2005
Greg Mladenka and SWCA	<ul style="list-style-type: none"> • Email Black Canyon Monitoring Plan to group by September 30. ECC will review and provide comments by October 10/discuss at the Oct. 20 ECC meeting

ECC Members Present

Mary Lucachick, Idaho Department of Parks and Recreation
Monte Garrett, Environmental Coordinator, PacifiCorp
Jim Mende, Idaho Department of Fish and Game
Marv Hoyt, Greater Yellowstone Coalition
Deb Mignogno, US Fish and Wildlife Service
Jim Capurso, US Forest Service
Lynn Van Every, Idaho Department of Environmental Quality
Scott Yates, Trout Unlimited
Patrick Koelsch, Bureau of Land Management

Others Present

Tracylee Clarke, Facilitator, SWCA
Miriam Hugentobler, Project Coordinator
Eve Davies, PacifiCorp
Kelly Holt, PacifiCorp
Jeff Seamons, Citizen of Preston
Scott Pratt, PacifiCorp
Greg Mladenka, Idaho Department of Environmental Quality

Participating by Phone

Connely Baldwin, PacifiCorp
Jack Kolkman, PacifiCorp (after lunch)

ECC Members Not Attending:

Charlie Vincent, American Whitewater, Present by proxy to Marv Hoyt, GYC
Jenna Borovansky, Idaho Rivers United, Present by proxy to Marv Hoyt, GYC
Hunter Osborne, Shoshone-Bannock Tribes
Susan Rosebrough, National Park Service

Update from Monte Garrett, Environmental Coordinator, PacifiCorp

Garrett said a newsletter for Bear River License Implementation is still in the works. PacifiCorp's Communications Department will put together a format, and the newsletter will be distributed electronically as a PDF file. Garrett passed around a newsletter sample and said ECC members would be asked for ideas for articles, etc. The first issue may be expected either this winter or next spring. Garrett will bring a template to the next meeting.

Garrett said the Cove Feasibility Study was filed with FERC as scheduled on September 1. In the cover letter, PacifiCorp asked for a 90-day extension for the ECC to provide a recommendation on a study alternative. Garrett said that during the late August meeting to FERC's Washington office, the agency seemed agreeable to the time extension, but has not officially responded. Garrett said he hopes the ECC will arrive at a decision earlier than 90 days from now.

Garrett said that if decommissioning was the group's recommendation, PacifiCorp's license would likely need to be reopened and modified. This may require a NEPA process. Patrick Koelsch (BLM) asked if there would be a public process. Garrett said he believes there would be.

Garrett said he has signature sheets for the letter to FERC regarding the AIR resulting from the Implementation Plan (distributed at the August ECC meeting) from everyone except Hunter Osborne (Shoshone-Bannock Tribe), and will be sending the letter on to FERC.

Garrett also noted that dam leakage at the Grace and Oneida dams will be measured on October 1.

Marv Hoyt (Greater Yellowstone Coalition) said when he came over the bridge on his way to the meeting, he noticed there was almost no water being provided from Grace dam to the river. Kelly Holt (PacifiCorp) responded that Last Chance diversion, just upstream of the Grace development, is getting most water coming from Soda and very little is left. Holt said PacifiCorp expects to have water available for the Black Canyon Monitoring Plan site visit in mid-October.

Updates from Others

TracyLee Clarke (SWCA) noted receipt of a list of watermasters from Dan Tomich. These were distributed by email to the ECC after the last meeting.

Deb Mignogno (US Fish and Wildlife Service) noted that there is a new land trust in southeast Idaho called the Sage-Steppe Land Trust. The trust is now beginning fundraising efforts.

Corrections to Notes

Lynn Van Every, Jim Mende, and Mary Lucachick said they did not receive notes from the August meeting that were distributed for review by email. It was noted that there may be a problem with email filters the state has recently installed. ECC members were asked to respond to Miriam Hugentobler when they receive the meeting notes. Hugentobler will call Van Every, Mende and Lucachick when notes are distributed so they can check for them. The possibility of creating a website to post project communications was discussed. Lucachick will send an example (the Vista website) to Garrett and Hugentobler.

August meeting notes were approved with changes from Mende, Mignogno, Capurso and Vincent.

Involvement of Outside (non-ECC) State Agencies

Jim Mende (Idaho Fish and Game) said he had spoken with others since the last ECC meeting. He said the State may develop a unified internal position on Cove decommissioning, but he will not be directed by the State to a particular position on decommissioning. Mende said he will speak for Idaho Fish and Game.

Lynn Van Every (Idaho Department of Environmental Quality) said his internal direction has been similar. He will make decisions based on IDEQ's mission.

Garrett said he has talked with Harriet Hensley (Idaho Deputy Attorney General) since the last ECC meeting. Hensley said Dan Tomich (Idaho Water Resources Board, attendee at the August ECC meeting) does not speak for the State or for the Governor's Office. All agencies have their point of view and decommissioning got the Water Resources Board's attention, as their goal is no net loss of hydroelectric power. Garrett indicated that, if the decommissioning process goes forward, the Water Resources Board may file as an intervener during the associated public FERC process. PacifiCorp's decision will be based on the best business case (i.e., whether the project can be run economically in the interest of PacifiCorp's customers, or should other options be pursued). The Water Resources Board decision may be based on similar criteria. Pursuant to that, a conference call between the Water Resources Board and PacifiCorp is set for next Monday (September 20) to discuss the viability of the Cove project. Hensley wants to get the conference call behind them before the state agencies make their decisions regarding Cove decommissioning. Therefore, an ECC decision on decommissioning won't likely be made as planned today. Garrett said he hopes the ECC can make the decision at the next meeting (October 20), because FERC has been promised an answer by November.

Mende asked about the decommissioning process for American Fork. The Settlement Agreement on American Fork was reached in 2003, with decommissioning approved by the FERC in 2004. Garrett said he would provide ECC members with copies of the American Fork Settlement Agreement via email.

Mende asked for a discussion on the monetary value of flows. Garrett handed out a spreadsheet showing the estimated dollar value of generation lost from minimum flows over 30 years (see Attachment A-1 - Bear River Project – Estimated Value of 30 Years of Lost Generation Resulting From Minimum Flow Amounts). Garrett said estimates indicate that 25 cfs would cover decommissioning costs, based on an estimate of \$3.2 million provided in the feasibility study (the current estimate, which he said may creep).

Mignogno asked where in the Settlement Agreement does it say we can negotiate on flows? Garrett directed the group to Section 3.2, p.17 of the Settlement Agreement. Scott Yates (Trout Unlimited) agreed that signatories to the Settlement Agreement could negotiate flows.

Mignogno asked what would happen if the ECC agrees to decommissioning and the flows to fund it, and then decommission doesn't go? Garrett responded that, if decommissioning is not approved by the FERC, no change in the required flows would result.

Other options suggested by Mignogno included letting the 80 cfs flows go for a while, then reducing it, and forgoing the 80 cfs minimum flows until the dam is removed to pay for the cost of decommissioning. If the value of those flows ends up being more than the cost of decommissioning, the ECC would then get the money back.

Jim Capurso (US Forest Service) suggested keeping Mignogno's suggestions in the notes for possible future use.

Mende said he would like to see modeling of flows.

Clarke asked whether the group was waiting for more information on flows to make a decision. Hoyt said he thought it was decided that the information the ECC has available now is the best it's going to get. Van Every said IDEQ cannot run P-HAB SIM on the flow data, as it is not available in their offices. Garrett asked Mende if there is flexibility on flows within his agency (IDFG). Garrett said that, in his mind, that's what we're waiting for.

Clarke said the ECC had gotten to the point of discussion of using a combination of ECC funds and flow trading to fund decommissioning.

Garrett said PacifiCorp feels strongly that a return of 25 cfs in the Grace bypass would be the minimum necessary to fund decommissioning (see table, Attachment A-1).

Mignogno said she did not think the ECC should fund the entire project, just the amount that would open fish passage, and not the cost of removing buildings, etc. Mignogno asked how much decommissioning cost at American Fork. Garrett said decommissioning at American Fork cost almost \$1 million, but that it was a much smaller project.

Garrett said that if PacifiCorp has to pay a large amount to decommission Cove, it may not be economically feasible for the company to do so. So part of the cost of establishing connectivity is funding the entire decommissioning project. He said he is not sure of how much, if any, of the \$3.2 million the company would be willing to fund. Rather than fund a significant portion of decommissioning, PacifiCorp would better serve its customers by rebuilding the flume and operating the project. Any portion of decommissioning that the company pays for would be purely goodwill for the benefit of aquatic resources.

Greg Mladenka (IDEQ) noted that modeling presented at the last ECC meeting was very much a draft. Mladenka said Connely Baldwin (PacifiCorp) was looking over the modeling results this week and would provide comments to him. Mladenka asked whether the cost of removing the flume could be reduced in any way.

Garrett said that the original Cove Decommissioning report by Black and Veatch included options of breach and leave everything in place (\$800,000) and remove all traces of the project (\$5 million). He said PacifiCorp opted for a decommissioning option that was more realistic and that FERC would most likely accept to meet safety concerns.

Mende asked about PacifiCorp's costs for continuing to operate the Cove project. Garrett said rebuilding the flume would cost twice as much as decommissioning. If the flume is rebuilt, there would be work on the wing walls, etc., but the dam is safe and could be

safely operated. Mignogno asked about FERC's recent mention of dam safety, but Garrett said PacifiCorp can document that the dam is safe.

Hoyt said that the ECC should not be obligated to funding a certain amount for decommissioning before bids on the work come in. Hoyt said the bids could come in low and he would not like the ECC to be locked into a higher amount.

Garrett said that the bid could come in low, but then there may be overruns to deal with. He said costs and flows are moving targets, and suggested that it might be cleaner if we agree to a certain amount of action for a certain amount of flows. Garrett said an agreement could include a definite (upper) amount for ECC-funded decommissioning costs.

Capurso said he finds it unacceptable for the ECC to fund the entire decommissioning amount as estimated by Black and Veatch. He said the ECC needs to know how much PacifiCorp is willing to fund before a decision can be made. Capurso said he wants Garrett to find out and asked for a roll call vote from ECC members on where they stand on the issue. Capurso said he does not support funding the entire cost of decommissioning, whether by ECC funds or flows.

Garrett said that if the ECC is stuck on funding only \$750,000 towards decommissioning, and there is no compromise, this is going to be a short conversation. He said that amount would tip PacifiCorp towards rebuilding the flume and operating the project.

Mignogno asked whether there were historic properties on the Cove site, and whether it was possible get funding from those interests. Garrett indicated that historic documentation of the Cove project is part of the Historic Properties Management Plan, under development, and additional funding is unknown.

Mladenka said the ECC should probably look more at biological significance of flows than cost.

Mignogno said maybe the ECC should look at how much we'd be willing to pay, then look at biological value of the water— as we are far from having that information— and conduct studies later.

Yates said he thinks Capurso's concerns are valid but we don't need to say what we'd be willing to pay. That will be negotiated later.

Garrett asked Yates if he was saying that there is an element of shared responsibility. Yates said yes. Garrett said okay, but he needs to have something to take back to PacifiCorp.

--Caucus--

Introduced EDAW – Seattle

Garrett introduced a group of consultants from EDAW, who will be preparing the Recreation Plan, the Traffic Safety Plan, and the Land Management Plan. The group included:

- Sergio Capozzi, Recreation Planner and Social Scientist
- Ron Tressler, Biologist
- Richard Dwerlkotte, Botanist
- Chuck Everett, Principal and Recreation Planner

Garrett said they may be calling on ECC members for information.

Eve Davies (PacifiCorp) informed the group of new orthophoto color coverage of the project area. She said PacifiCorp can provide copies.

Poll of ECC Members on Funding for Cove Decommissioning

A poll was taken on ECC members' positions on funding the \$3.2 million amount for decommissioning.

Marv Hoyt, speaking for American Whitewater, Idaho Rivers United, and Greater Yellowstone Coalition

Hoyt said Charlie Vincent (American Whitewater) agreed to the flow tradeoff, up to 30 cfs, at the last ECC meeting. Hoyt said Jenna Borovansky (Idaho Rivers United) is also in favor of decommissioning, but IRU still has questions on the total dollar figure. Hoyt said he favors decommissioning. Cost is negotiable, he said, but \$3.2 million is more than the ECC should have to pay. That amount should be negotiated. Hoyt said he is uncomfortable funding the total amount.

Scott Yates, Trout Unlimited

Yates said he favors decommissioning, but is uncomfortable covering the entire amount with either funds or flows.

Deb Mignogno, US Fish and Wildlife Service

Jim Mende, Idaho Department of Fish and Game

Lynn Van Every, Idaho Department of Environmental Quality

Mary Lucachick, Idaho Department of Parks and Recreation

Pat Koelsch, Bureau of Land Management

Jim Capurso, US Forest Service

All agreed with Scott Yates without further comment. They favor decommissioning but are uncomfortable covering the entire amount with either funds or flows.

Monte Garrett, PacifiCorp

Garrett said PacifiCorp is not entirely comfortable even with \$3.2 million in funding from the ECC, because decommissioning may cost even more than that. He said if cost sharing would be entertained by PacifiCorp, it would be a very modest amount. He said that flow negotiations could get us there.

Mignogno said she is not comfortable discussing the issue further without input by PacifiCorp. Garrett said he was not sure what kind of input she was waiting for.

Yates said the only expectation for Garrett is that he take what is on the board back to PacifiCorp. He said he doesn't know what else we can do today, as the ECC needs more information from Garrett, as well as information from upcoming conference call.

Clarke said the ECC needs to know from Idaho Department of Fish and Game whether they are willing to trade on water. Capurso agrees he would like to know that as well.

Yates said the ECC needs to come up with an offer, and PacifiCorp is either going to like it or not like it.

Garrett said he needs an offer to take back to PacifiCorp, (i.e., this is what the ECC thinks is fair and this is why, etc.). Yates said that may be possible later in the month.

Garrett suggested scheduling an ECC conference call later in the month to reach agreement on the amount the ECC would be comfortable with for funding decommissioning.

Mende asked that Garrett go back to PacifiCorp with the fact that \$3.2 million is unacceptable to the ECC. He said he wants a response before the conference call. Garrett again stated that an acceptable proposal is needed from the ECC.

Mladenka said the ECC doesn't want to pay for nonecological portions of the project and PacifiCorp is seeing the issue as all or nothing. He would like the ECC's point of view to go back to PacifiCorp.

Garrett said there have been a lot of briefings with PacifiCorp between ECC meetings. He said PacifiCorp is aware of ECC's point of view. He said he would present it again and let the ECC know, but PacifiCorp's position is probably not going to change.

Mignogno also asked Garrett to let PacifiCorp know that the ECC is only comfortable giving up 10 cfs.

Hoyt said he has Vincent's proxy and Vincent wants to see decommissioning happen, and is willing to give up to 30 cfs to make it happen.

Mende said the NGOs and Agencies are split. One group will be willing to provide funding for breaching (Mende, Van Every, Lucachick, Koelsch and Hoyt) in some way.

Capurso said he is not in a position to name a figure. He has no way to figure out the ecological benefit of decommissioning and what it's worth. He said he will have more information in a month and would be closer to providing a figure then. Capurso said he believes it is unreasonable for the ECC to be asked to contribute \$3.2 million.

Yates said he is not comfortable from a process standpoint to throw out an amount. Information from the conference call outcome will help. Yates said the ECC has good information from Garrett and IDEQ, and he would like more information from Idaho Department of Fish and Game regarding flows.

Mignogno said she agrees with Capurso and Yates: we need additional information.

Clarke said that since the group is not ready to give Garrett a figure to take back to PacifiCorp, let's go ahead and schedule a conference call.

Garrett said he was in a very difficult position, not having anything to take back to PacifiCorp and asked whether the ECC was more interested in PacifiCorp continuing to operate Cove.

Yates said that is not what the ECC is saying. He said he thinks decommissioning will happen. But there is a lot of concern over the Water Resources Board, and what they are going to say (on the Sept. 20 conference call).

Garrett said if we have to continue negotiations, he's not optimistic we'll get this done due to time constraints. We need to get to a decision by the next meeting.

Yates asked for clarification on the offer for flows without additional funds.

Garrett said he would feel comfortable presenting 25 cfs to PacifiCorp.

Clarke said that the group is not comfortable because they haven't heard from Idaho Department of Fish and Game on negotiating flows. Mende said he can't sell paying to haul out bricks and concrete to his public when it won't benefit fisheries.

Garrett said it's not that simple. Decommissioning is an all or nothing proposition.

Mignogno asked whether the ECC could fund dam breaching only.

Garrett said FERC will likely not allow that, and PacifiCorp would be liable for remaining costs. He reiterated that the \$3.2 million decommissioning proposal is a middle of the road proposal, not the most expensive decommissioning scenario possible.

Hoyt said he is in favor of decommissioning and others seem to be, as well. He said it seems that we want to see it happen, it's just a matter of how do we get there?

Garrett agreed to talk with Black and Veatch about re-estimating the actual cost of breaching the dam, or a decommissioning that may be realistic yet less expensive.

Garrett asked Mende why exchanging an insignificant amount of flows for removal of a huge barrier in the river wasn't worth presenting to the public as a valid option.

Davies asked, what if decommissioning is a package deal and can't be broken out as just a breach? Garrett also noted leaving other structures in place would pose a risk to PacifiCorp.

Mignogno said she wants to find out what has been done elsewhere, and will find out prior to the conference call.

Van Every said he doesn't want to spend significant amounts of money on portions of the project that do not benefit resources. If the ECC applied for matching funds, it could only get funds for projects that benefit resources. Van Every said he doesn't want to spend money that doesn't directly benefit aquatic resources.

In regard to flows, Van Every said he knows that 80 cfs was thrown out for no ecological reason. Maybe he could not tell if flows were 10 cfs lower, but at 20-30 cfs, he could. He knows 20-30 cfs would benefit the system somewhere.

Garrett said 20 cfs may or may not appreciably reduce habitat value in Black Canyon, and decommissioning would provide connectivity at Cove and year-round flows of nearly 1000 cfs in the previous Cove bypass reach.

Yates said the ECC wants to decommission. But we need to know what the Water Resources Board has to say. He told Garrett he doesn't have an offer to take back to PacifiCorp at this point. Closure with the Water Resources Board is needed.

Mignogno asked again for the amount for breaching only.

A series of conference calls were scheduled to discuss funding for decommissioning.

Conference Call Schedule		
Date/Time	Participants	Purpose of Call
September 20	PacifiCorp & Idaho Water Resources Board	Provide information on Cove decommissioning to IWRB
September 21, 9 a.m.	ECC members	Debrief ECC members on PacifiCorp's call with IWRB. Garrett will arrange.
September 27, 1 p.m.	ECC Caucus, Agencies and NGOs.	Discuss a proposal to PacifiCorp for Cove decommissioning. Van Every will arrange.
October 13, 10 a.m.	ECC members	Provide a proposal for PacifiCorp management. Garrett will arrange.

Mignogno said that it would be alright to delay the discussion of matching funds planned for this meeting. She said she would like to add a couple of things to her draft and then cover it at the October meeting (*note: this was later deferred to the November meeting*).

A head count was taken for the Black Canyon Field Trip: Participants will be Capurso, Mende, Davies, Mladenka, Garrett, Van Every, Osborne, Koelsch, Lucachik, Colyer, and Weidner.

Update on Plans

It was noted that, since filing the Implementation Plan with the FERC, the telemetry study was delayed until after aerial photography/habitat mapping is done in 2005. This schedule was clarified in the BCT Restoration Study Plan filed with the FERC in July.

The Genetics study workscope is just about ready to send back to PacifiCorp for contract development, according to Mende. Teuscher has been working on other things.

Future ECC Meetings

The ECC decided to continue meeting monthly through March 2005.

Between Meetings – Black Canyon Monitoring Plan

Greg Mladenka and Michelle Weidner will send a draft of the Black Canyon Monitoring Plan to ECC members by September 30 for ECC internal review, with comments due by October 10. They will incorporate ECC comments and distribute to ECC members prior to the October 18-19 site visit. If any additional comments are received based on the site visit and the October ECC meeting, a final draft will be prepared for external review at the end of October, with comments due by Thanksgiving. Those comments will be addressed and the final BCMP will then be filed with FERC by the end of the year.

Next Meeting's Agenda:

October 20, 2004, Grace Idaho

Cove discussion – 3 hours – Be prepared to make a decision.

Black Canyon Monitoring Plan update – 1 hour

Shoreline Buffer Zone – 1 hour

BCT Study Scheduling – 1 hour

Water Laws and Acquisition – defer to November (invite Phil Rassier)

ECC Matching Funds Criteria – defer to November

Attachments: Handouts

Attachment A-1 - Bear River Project – Estimated Value of 30 Years of Lost Generation Resulting From Minimum Flow Amounts

**Bear River Project
Estimated Value of 30 Years of Lost Generation
Resulting from Minimum Flow Amounts**

Project	Minimum Flow Amt. cfs	MW/cfs	hr./year	MWh/year	\$/MWh	Lost Power Value/year \$	Lost Value for 30 Years \$	NPV for 30 Years \$
Grace Bypass	10	0.0317	8760	2,777	44	\$122,184	\$3,665,534	\$1,486,222
	15	0.0317	8760	4,165	44	\$183,277	\$5,498,302	\$2,229,332
	20	0.0317	8760	5,554	44	\$244,369	\$7,331,069	\$2,972,443
	23	0.0317	8760	6,387	44	\$281,024	\$8,430,729	\$3,418,310
	25	0.0317	8760	6,942	44	\$305,461	\$9,163,836	\$3,715,554
	30	0.0317	8760	8,331	44	\$366,553	\$10,996,603	\$4,458,665