



Oregon Fish and Wildlife Commission Minutes

Workshop:
June 5, 2008 1:00 p.m.
Oregon Department of
Fish and Wildlife
3406 Cherry Ave. NE
Salem, Oregon 97303

Meeting:
June 6, 2008 8:00 a.m.
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Wildlife
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Commission minutes are considered draft until approved by the Commission at its next meeting.

Notice of these meetings had been made by press release of statewide media circulation. Those attending part or all of the meeting included:

Marla Rae, Chair	Roy Elicker, Director
Dan Edge, Vice-Chair	Curt Melcher, Deputy Director
Zane Smith, Commissioner	Holly Michael, Conservation Strategy and Special Project Coordinator
Jon Englund, Commissioner	Ron Anglin, Wildlife Division Administrator
Skip Klarquist, Commissioner	Larry Cooper, Wildlife Division Deputy Administrator
Carter Kerns, Commissioner	Liz Bueffel, Administrative Support Manager
Bobby Levy, Commissioner	Bruce McIntosh, Fish Division Deputy Administrator
Craig Ely, Northeast Region Manager	Roger Fuhrman, Information and Education Division Administrator
Ed Bowles, Fish Division Administrator	Mike Graine, Oregon Department of Energy Director
Chip Dale, High Desert Region Administrator	Phil Ward, Oregon Water Resources Department Director
Chris Wheaton, Northwest Region Manager	Mike Carrier, Governor's Natural Resource Policy Director
Steve Denney, Southwest Region Manager	

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MEETING

On Thursday, June 5, 2008, at 1:00 p.m., Marla Rae, Oregon Fish and Wildlife Commission Chair, welcomed the group to the Energy and Water Development Workshop. She thanked Mike Graine, Phil Ward and Mike Carrier for joining in the meeting discussions.

WORKSHOP FOCUS

- *Policy issues - what does OFWC need to be concerned about?*

- 1 • *What are impacts from energy and water development on ODFW – current &*
- 2 *future?*
- 3 • *How to address impacts?*

4 **INTRODUCTION**

5 *Welcome, introductions and opening remarks - Chair Rae and Director Elicker*

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7
8 Roy Elicker thanked Mike Grainey, Phil Ward and Mike Carrier as well. He stated that
9 there are more and more energy and water issues that impact us. He appreciated the
10 Commission's willingness to learn about these issues. He also thanked Mike Carrier on
11 working together on these issues and appreciated pulling people together to work with
12 the agency.

13
14 Holly Michael thanked the group for attending the meeting. She went over the process
15 of meeting. No public testimony today will be heard.

16 **GOVERNOR'S VISION FOR OREGONS ENERGY AND WATER FUTURE**

17 Mike Carrier, Governor's Natural Resource Policy Director, gave an overview of the
18 Governor's vision for energy and water development into the future. The Governor's
19 Natural Resource Office's current direction to state agencies and recent interactions
20 with FERC and energy development companies was also discussed.

21
22
23 Mr. Carrier reported on how important this issue is to the Governor. When the Governor
24 began reading and looking at the effects of potential rapid climate change he realized
25 water was the first and most important resource affected. It appears that if the trend
26 continues, the water budget will shift to wet water in the winter when we don't need it as
27 much and will result in less snow pack. The precipitation patterns will shift and change.
28 He reported that the models do not look good for the future. We need to be assured we
29 have an adequate supply of clean water. This was the driving force to put the initiative
30 before the legislature. Mr. Carrier has looked at community infrastructure. The
31 estimated of repairs are very high and are not in the budget. We need to take a look at
32 how we can manage water resources. There was a Policy Option Package in 2007 that
33 would fund the conservation supply analysis. A study is underway and he looks forward
34 to the results. He stated that the Governor stands on principle and accepts the word of
35 ODFW biologists. He is committed to a statewide water initiative.

36
37 He has met with agency Director's to discuss the water issues and talked about what
38 was being discussed from the stakeholders: what are the agency capacity needs, what
39 are ways we are invested in the stakeholders, how can they help us address these
40 water issues, etc. They are trying to get lottery funds to help with these issues. It would
41 take getting voter support.

42
43 The capital investments are great. Capital needs to be provided to help water users get
44 the projects to threshold of capitalization.

45 Mr. Carrier has been meeting with the stakeholders and accepting and incorporating
46 their advice. The next step is to have their full support by the beginning of the legislative
47 session.

1
2 Chair Rae reported that this issue is incredibly important. The outreach that is going to
3 need to happen to nonpublic folks is essential to get this passed. Getting people from
4 outside the government to own this is going to be important and tough. Chair Rae asked
5 Mr. Carrier how the Commission can help with that challenge.

6
7 Mike Carrier stated that they have a role to get this to the legislature. The campaign to
8 the voters is going to be through our stakeholders. The strength of the campaign is built
9 upon their success. They have to create trust, understanding and assurance. It may
10 take some agency rulemaking. A list serve was created for the initiative (currently over
11 90 people) and they will receive regular communication from them. All of the information
12 is also posted on the website.

13
14 Commissioner Smith felt that having stakeholders is important in the context of quality,
15 supply and ecosystem benefits. He reported our water supply has existing vegetation.
16 The stakeholders have a lot of effect on what happens to the water and the
17 consequences are not well known.

18
19 Commissioner Levy thanked Mr. Carrier for all his hard work. She inquired on the
20 amount of lottery funds and if they are not obtained is there another plan. Mr. Carrier
21 reported the lottery funds would be one million per biennium. There is no plan B at this
22 point so they are dependent on the lottery funds.

23
24 Mr. Carrier also talked about wave energy and how we need to fully understand the
25 impacts. ODFW staff is engaged in wave energy. There is a MOU with FERC aimed at
26 FERC slowing down issuing licenses without Oregon amending the territorial sea plan.

27 28 **OREGON DEPARTMENT OF ENERGY UPDATE**

29 Mike Graine, Oregon Department of Energy Director, gave an overview of the Oregon
30 Department of Energy's role in sighting energy projects and their involvement in other
31 projects as well as an overview of the 2005 Energy Policy Act. He also discussed how
32 the state interacts in the federal process, land-based energy projects statewide and
33 recent Supreme Court ruling on LNG facility in Long Island Sound and the implications
34 to Oregon projects.

35
36 Mr. Graine spoke in regards to the Governor's energy policy. Oregon should develop
37 renewable energy resources. All new sources need to be renewable energy. He
38 recognizes that renewable energy has impacts but it has much fewer impacts than fossil
39 or nuclear energy. Forty percent of Oregon energy is from dams, 40 percent from coal
40 and the remaining is natural gas or renewable energy.

41
42 Most of the wind projects have not been controversial. The Cascade Wind project was
43 controversial because it was a scenic impact and was visible from portions of the gorge.
44 It is currently under review from the citing council. Wind projects need to meet
45 standards to be approved. The standards focus on social and economic issues.

1 Wind energy has become cost competitive with natural gas and coal. There are 3,500
2 megawatts currently or under review in Oregon. There has been a concern of impacts
3 on birds and bats.

4
5 They are working with the citing council to see if further criteria is needed to be adopted
6 for facilities regardless of their size.

7
8 There have been advances in technology. There are some new applications for
9 commercial power plants around country. It will be interested to see if these move
10 forward and get built.

11
12 Currently, there are three LNG proposals. LNG is natural gas that is cooled into liquid
13 form, transported, regassified and put in gas pipelines. At one point there were six LNG
14 proposals but now only three going through FERC licensing. The state will go off the
15 federal standards. FERC is required to do review under NEPA. The first project
16 (Bradwood) is the furthest through process. Some felt the EIS for this project was
17 inadequate. New pipelines have been proposed from the Rockies to the west. Other
18 pipelines have been proposed as well. The Governor believed that FERC was not doing
19 it's job and called for FERC to issue a programmatic EIS. FERC refused to do EIS.

20
21 There is a continuing need for natural gas in the future. Pipelines from Rocky Mountains
22 appear to be adequate to provide natural gas less expensively. LNG is almost twice as
23 much as natural gas.

24 25 **LAND BASED ENERGY DISCUSSION**

26 The Commission and staff discussed ODFW's review and commenting role in energy
27 projects, fish, wildlife and habitat impacts from land-based energy projects and how
28 ODFW can address this emerging issue.

29
30 Jon Germond (Land Resources Program Manager), spoke to the group about the
31 energy facility siting process and locations of alternative energy projects (methane gas,
32 geothermal, and wind), liquefied natural gas (or LNG), and electric transmission lines.
33 Maps were provided to identify where the projects are located across the state. He gave
34 a PowerPoint presentation.

35
36 Chair Rae inquired why there aren't any wind facilities on the west side of the state
37 because it is also windy there. Mr. Grainey reported that there is too much variability in
38 the wind and it needs to be constant.

39
40 Jon Germond discussed the Policy Option Packages proposed for 09-11 for staff
41 positions to help with the future energy duties.

42
43 Christian Hagen, Sage Grouse Conservation Coordinator, discussed the impacts of
44 energy development on Greater sage-grouse.

45 46 **WAVE ENERGY AND ALTERNATIVE HYDROELECTRIC DISCUSSION**

1 The Commission and staff discussed ODFW's wave energy fish and wildlife concerns,
2 alternative hydroelectric developments and how ODFW can address this emerging
3 issue.

4
5 Rick Kepler discussed wave energy in Oregon. He gave a PowerPoint overview of how
6 a powerbouy works. It is an evolving technology and the future impacts are unknown.
7 Rick Kepler also discussed tidal turbines. On the east coast, they use buoys for wind
8 energy. Policy Option Packages have been proposed for positions to help with future
9 additional duties.

10
11 Commissioner Smith reported that there is a lot we don't know about ocean wave
12 issues. He asked if marine life will remain fairly static.

13
14 Rick Kepler stated there will be a lot of cables and wires in the water. It will produce
15 kinetic energy.

16
17 Commissioner Kerns asked why the reservoir levels are not raised to catch runoff. He
18 suggested building water impoundments on the Snake River and selling the water to
19 Umatilla County farmers when they are in need of it. We need to look at water storage
20 away from where it is needed.

21
22 Commissioner Kerns also asked if the project can it be funded through municipal bonds.
23 This option will have to be looked into. Washington is funding something similar but it is
24 not known how it is being funded.

25 26 **OREGON WATER RESOURCES DEPARTMENT UPDATE**

27 Phil Ward, Oregon Water Resources Department Director, gave an overview of the
28 Water Resources Department's role in water policy and projects, emerging issues and
29 the new emphasis on water supply and conservation to address climate change.

30
31 Mr. Ward reported that if someone wants to use water commercially, they need to have
32 a permit from Water Resources. The big exception is domestic wells. If someone wants
33 to drill a well for domestic use they do not need a permit but they do need to let Water
34 Resources know.

35
36 There are 1,400 instream water rights in Oregon. 900 were initiated by state agencies.
37 Oregon leads the nation in protecting water and streams. This equals more than
38 Washington, Idaho and Montana combined.

39
40 The Water Resources Commission is charged to insure the water supply is sufficient to
41 meet the needs of present and future generations. There is no long term strategy to
42 meet current and future water needs. They are embarking upon that effort.

43
44 The Water Resources Department will engage in planning a strategy development
45 process.

46

1 Mr. Ward talked about Senate Bill 1069 which tasked the Water Resources Department
2 to conduct a detail feasibility analysis in the Umatilla Basin. This is currently underway.

3
4 Commissioner Levy asked Mr. Ward what the biggest challenge his department has
5 before them. Mr. Ward replied that it is “how do we meet the water supply needs for the
6 state?” This includes habitat needs, fish needs, etc. He stated that we all think of
7 ourselves as a water rich state yet we have critical needs during parts of the year.

8
9 Chair Rae offered Mr. Ward to let the department or Commission know if there is
10 anything they need help with. Mr. Ward appreciated the offer and said they would like
11 the department to be engaged in their Commissions plans for future water needs.

12 **WATER DEVELOPMENT DISCUSSION**

13 The Commission and staff discussed ODFW’s review and commenting role in water
14 projects, fish, wildlife and habitat impacts from water-based projects and how ODFW
15 can address this emerging issue

16
17 Rick Kepler gave a PowerPoint presentation on the Oregon water dilemma and
18 ODFW’s water concerns. Most of ODFW’s ability to comment on water rights has come
19 through the Water Resources Department statutes. The ODFW Commission only deals
20 with the passage and screening.

21
22 Commissioner Smith inquired if water rights could be sold. Mr. Ward responded that
23 water rights could be sold but there are a lot of constraints. Her reported that there are
24 temporary transfers as well.

25
26 Mr. Ward stated that if they don’t have water masters on the ground, it makes it difficult
27 to protect the water rights. There needs to be enough field staff to pay attention to these
28 water rights. There may be some future legislation for water rights.

29
30 Rick Kepler reported that there is a Policy Option Package for additional positions for
31 water right issues.

32
33 Steve Denney, SW Region Manager, reported that there is a need for field staff. A lot
34 still these issues fall on the district staff and it’s a huge work burden.

35
36 Commissioner Smith inquired if there has been any modeling done in regards to climate
37 change. Mr. Ward responded that modeling is currently underway. They hope to have
38 numbers soon.

39 **WORKSHOP WRAP-UP AND CLOSING COMMENTS**

40
41 Holly went over key issues discussed at today’s meeting.

42
43 Chair Rae acknowledged Holly’s work on the workshop. She would like feedback to see
44 if the workshops are useful. These workshops show the scope of work that is ahead for
45 the department. ODFW is at a crossroad.

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2 **FUTURE WORKSHOP**

3 The next workshop will be October 9, 2008 regarding climate change issues. Please
4 forward any issues to Holly Michael.

5

6 **ADJOURNMENT**

7 The workshop adjourned at 4:44 p.m.