STATE ENVIRONMENTAL POLICY ACT (SEPA) <u>ADDENDUM</u>

The following addendum has been prepared pursuant to provisions of WAC 197-11-625.

Environmental document added to or modified by this addendum: The document for which additional information is being provided is the *Final Programmatic Environmental Impact Statement* (EIS) *for the Columbia River Water Management Program*. This State Environmental Policy Act (SEPA) document was prepared by the Washington State Department of Ecology (Ecology) and released on February 15, 2007.

Proponent: Washington State Department of Ecology (Ecology)

Proposal: Chapter 90.90 RCW directs Ecology to aggressively pursue development of new water supplies for both instream and out-of-stream uses. Ecology is in the process of developing and implementing a Management Program to facilitate implementation of the RCW.

Description of proposal: The Management Program will potentially involve implementation of a variety of water supply development measures authorized by Chapter 90.90 RCW. Those may include: new or modified surface storage facilities, aquifer storage, municipal and industrial conservation, regional or irrigation district agricultural conservation, on-farm irrigation efficiency projects, conveyance system improvements, and pump exchanges. Chapter 90.90 RCW also provides for Ecology to enter into voluntary regional agreements with entities for the purpose of providing new water for out-of-stream use, streamlining the application process, and protecting instream flow.

Addendum: This addendum provides additional information regarding a Voluntary Regional Agreement (VRA) proposed by the Columbia Snake River Irrigators Association that was evaluated in the *Final Programmatic EIS for the Columbia River Water Management Program* (February 15, 2007).

The CSRIA VRA proposes to undertake conservation and other measures such as pump exchanges, aquifer storage and recovery projects, and surface storage projects to create new sources water. That water would be used for new water rights on the Columbia River mainstem and lower Snake River (at or below Ice Harbor Pool). Under the proposed VRA, conserved water would be transferred to Ecology's Trust Program. The VRA does not specify where the projects would be located. The conservation projects could be undertaken by municipal as well as agricultural users.

The CSRIA VRA, as proposed, addresses two groups of water users or potential water users: existing water right holders with interruptible certificated water rights and new applicants. There are approximately 340 water right holders on the Columbia River and 33 water right holders on the Snake River whose rights are interruptible. That means that during years when flows in the Columbia River at The Dalles for the period April

through September are forecasted to fall below 60 million acre feet, the interruptible water right holders must curtail their use of water.

Under the proposed VRA, Ecology would commit to issue supplemental drought permits to interruptible water right holders that are CSRIA members, provided that mitigation water from efficiency measures and other measures is available to offset their water use during July and August. In exchange, participating members would commit to implementing and maintaining state-of-the-art water use efficiency measures and best management practices, and submit their water rights to Ecology for "recalibration" (determination of extent and validity) of actual beneficial use. Any water saved through the recalibration would be placed into Ecology's Trust Water Right Program. Ecology would be obligated to make a "good faith" effort to provide mitigation water necessary to ensure that any new rights issued in the form of supplemental drought permits will not impair flows in the Columbia River during the months of July and August in years covered by the permits.

For CSRIA members that are applying for new water rights, applicants would receive new interruptible water rights in exchange for agreeing to install or maintain water use efficiency practices, submitting any existing water rights to Ecology for recalibration, and permanently transfer any resulting conserved water to Ecology's Trust Program. CSRIA members would commit to pay \$10 per acre-foot annually for the full amount of water used under the permit. The initial payment would cover the first three years of use. Subsequent payments would be required for each year water is used under the permit. Such payments would be adjusted annually for inflation by Ecology using a methodology mutually agreed to by the parties to the agreement. Revenues received from CSRIA members would be placed in the Columbia River Water Supply Development Account.

CSRIA would work with Ecology to identify the most cost-effective and feasible water projects that could be implemented in a time frame and at locations that would provide mitigation for new water rights to be issued by Ecology. In applications for new water rights, CSRIA or its members would document that the applications meet the requirements of the Columbia River Management Act and applicable water law, including RCW 90.03.290.

Pursuant to the requirements of Chapter 90.90.030, a formal 60-day government consultation process regarding the Draft CSRIA VRA was initiated on October 16, 2006, and ended on December 15, 2006. Included in the consultation were county legislative authorities, watershed planning groups with jurisdiction over the area where the water rights included in the agreement are located, the Washington Department of Fish and Wildlife, affected tribal governments, and federal agencies. Subsequent to release of the Programmatic EIS, Ecology renegotiated the proposed VRA with CSRIA to address issues raised in consultation. The revised VRA is being released for the 30 day public comment period prescribed RCW 90.90.030. The revised VRA differs from the original VRA as follows:

This VRA will be implemented in two phases. Phase 1 will involve full implementation of the VRA, except Sections E. Under Phase 1, implementation of

Section E will be limited to conducting three pilot water conservation projects to be mutually agreed upon by Ecology and CSRIA. The pilot projects are intended to demonstrate the potential for the types of conservation projects proposed by CSRIA to fulfill the provisions of Section E of VRA. Phase 1 will terminate no later than December 31, 2010 (unless extended by mutual written agreement). Findings and conclusions regarding Phase 1 will be documented in Ecology's 2009 Columbia River Basin Water Management Program Legislative Report.

Phase 2 would consist of continued implementation of the Phase 1 portions of this VRA as well as full implementation of Section E. Phase 2 will be entered into by written agreement of Ecology and CSRIA only if those parties conclude that:

- 1) The types of conservation projects identified by CSRIA appear to be capable of providing water in sufficient quantities to support issuance of the new water rights envisioned in Section E of this VRA; and
- 2) An adequate foundation has been established in Phase 1 that will support a long-term working relationship between Ecology and CSRIA.

In addition, if Ecology enters into the VRA, the department is committing to prepare an implementation plan for the VRA. The implementation plan would cover projects associated with the VRA for a specified time period and would be periodically updated. The implementation plan and subsequent updates would be subject to environmental review under SEPA. The revised VRA can be viewed at:

http://www.ecy.wa.gov/programs/wr/cwp/vra.html

SEPA Lead Agency: Washington State Department of Ecology
Responsible official: Derek I. Sandison
Position/title: Central Regional Director
Address:
15 W. Yakima Avenue, Suite 200 Yakima, WA 90902
Date: January 17, 2008
Signature: