

**Statement of Statement of Tom Iseman
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U.S. Department of the Interior
before the**

**Energy and Natural Resources Committee
United States Senate**

**S.1694, the Yakima River Basin Water Enhancement Project Phase III Act of 2015
July 7, 2015**

Chairman Murkowski, Ranking Member Cantwell and members of the Committee, thank you for the opportunity to provide the initial views of the Department of the Interior (Department) on S. 1694, legislation to implement Phase III of the Yakima River Basin Water Enhancement Project (YRBWEP). I am Tom Iseman, Deputy Assistant Secretary for Water and Science at the Department of the Interior. The Department continues to review the recently-introduced version of S. 1694 and as such would like to work with the sponsor and this Committee to offer additional input on the bill and to address some initial concerns with the bill as discussed later in this testimony. The Department is an ongoing federal participant in Phase III, also known as the Integrated Plan, and this testimony will address areas where S. 1694 is consistent with that role. The Department supports the goals of S. 1694, which are consistent with the Department's ongoing coordination with our State partners and all Basin interests to find solutions to the long-term imbalance between water supply and demand in the Yakima Basin.

The YRBWEP Workgroup, formed in 2009, developed the Yakima River Basin Integrated Water Resources Management Plan, which is a partnership between Bureau of Reclamation (Reclamation), Washington State Department of Ecology, the Yakama Nation, irrigation districts, local governments, non-governmental organizations, and several other Federal and state agencies. It is exactly the kind of broad-based, consensus-driven cooperation that is essential to successful modern water resources management. As a long-term, collaborative process, the YRBWEP helps Reclamation continue to implement the Yakama Nation Settlement Agreement, and has progressed through two prior phases to arrive at Phase III, the Yakima River Basin Integrated Water Resources Management Plan, or Integrated Plan.

YRBWEP and the Integrated Plan have their roots in the original authorization of a joint Federal-state feasibility study in 1979 (PL 96-162). In this statute, Congress directed Reclamation to conduct a feasibility study of the Yakima River Basin Water Enhancement Project and develop a plan that would provide supplemental water for currently irrigated lands, water for new lands within the Yakama Indian Reservation, increased instream flows for aquatic life, and a comprehensive plan for efficient management of existing basin water supplies.

Early in the YRBWEP study process, fish passage problems were identified as needing immediate attention and in 1984, Congress authorized YRBWEP Phase I (Section 109 of PL 98-381), which primarily involved rebuilding fish ladders and constructing fish screens on river diversions. The YRBWEP study proceeded through the 1980s, but was not fully completed primarily due to uncertainties associated with the adjudication of basin surface water rights that began in 1977. Consequently, Congress passed additional legislation in 1994 (PL 103-434), for

what is generally referred to as YRBWEP Phase II. This legislation provided for significant water conservation and acquisition activities, studies to define the long-term water needs of fish and current irrigators, improvements to the Wapato Irrigation Project, and development of a plan for management of basin water supplies.

The broad-based, consensus-driven nature of YRBWEP Phases I and II has been established through the development of many relationships, building diverse support for continued implementation of a broad range of projects as part of Phase III. The elements of this plan, and associated activities, were never envisioned to be stand-alone, individual efforts, but rather broad-based collaborative efforts that strive to integrate elements of interests held by each stakeholder. Still, while prioritizing Federal support, both financially and administratively, we have a responsibility to ensure that available resources are put to their highest and best use, utilized for the most cost-effective elements that have a strong Federal interest. This has been the approach used in the Administration's recent Budgets, as discussed below. As a corollary to this Federal support, in June 2013, the Washington State Legislature affirmed their support for the Integrated Plan in statute (SSSB 5367) and provided \$132 million to begin implementation of the plan.

The current lack of facilities in which to store the full water supply of the basin, operational constraints, and legal framework affecting water resources in the Yakima River Basin illustrate the challenges for residents, businesses, tribal communities, and ecosystem resources. The Integrated Plan is aimed at addressing these challenges, which include:

- Water reliability for the Yakima Nation: the Integrated Plan approach will help assure the ability to meet Tribal water supply needs, and offers an alternative to expensive and time-consuming litigation to resolve treaty issues.
- Proratable water users receive sharply diminished supplies from the Yakima Project during severe drought years, in one year as little as 38% of their full allotment. Junior users can be cut off completely. This reduces agricultural production and associated jobs in the basin. For those who grow tree fruit, this could cause early loss of trees, which could have remained economically productive, sometimes for many additional years.
- Most municipal and domestic water users in the basin rely on junior water rights for their drinking water supplies. The Yakima Nation and irrigation users, including proratable irrigation users, hold water rights and entitlements that are senior to most municipal and domestic uses. Municipal and domestic users live with a very real risk that their supplies could be cut off as a result of litigation brought by senior water users under drought conditions. This affects current residents and also limits the ability of local communities to grow and develop. The State of Washington and local governments have identified averting such litigation as a key objective.
- Scientists studying the effects of global climate change on the Columbia River Basin project that less water will be stored in the Cascade Range snowpack in future decades compared with current conditions. Snowpack currently provides a substantial portion of runoff to the Yakima River basin, and reduced snowpack in the future would compromise water supply, streamflow, and aquatic habitat conditions. There is no single type of action that can address the multiple effects of climate change on snowpack, runoff conditions, water temperature, aquatic life, and forest health. Reclamation and Ecology

believe that an integrated approach that includes consideration of water storage, water conservation, streamflow management, fish passage, and habitat improvements offers the best opportunity to mitigate climate change impacts on the Yakima basin's aquatic habitat and economy.

- Forest resources, land and terrestrial habitat of the Yakima basin also face risks from climate change, large wildfires, fragmented ownership, and land-use practices. These risks exacerbate the other risks to water resources and aquatic habitats. The Integrated Plan includes approaches to coordinate land management and water management to help manage these risks.

The Integrated Plan encompasses seven elements: habitat and watershed protection and enhancement; reservoir fish passage; surface storage; enhanced water conservation; structural and operational changes; groundwater storage; and the use of market-based forces to reallocate water and habitat among willing buyers and sellers. The goals of the Integrated Plan are to protect, mitigate, and enhance fish and wildlife habitat; provide increased operational flexibility to manage instream flows to meet ecological objectives; and improve the reliability of the water supply for irrigation, municipal supply and domestic uses.

Because of this history, a strong foundation of planning, study and diverse support underlies the YRBWEP and the Integrated Plan. Reclamation and Ecology completed a final Programmatic Environmental Impact Statement (PEIS) for the Integrated Plan in March 2012, and a Record of Decision (ROD) was signed in 2013. Under Phase II, Reclamation completed eight basin conservation plans and five feasibility-level conservation plans with two more feasibility plans to be completed this year.

The President's FY 2016 request is \$12.8 million for currently authorized YRBWEP activities consistent with Phase II and the Integrated Plan that are cost-effective and have a strong Federal interest. The YRBWEP has been part of the President's request consistently each year because of its nexus with several mission areas for the Department, and because of the multiple benefits that the current process makes possible, such as avoiding water resources conflicts that might otherwise occur and achieving both ecological and economic benefits in the basin. By linking several elements together for shared progress, YRBWEP is meaningfully increasing the reliability of the irrigation water supply and benefitting anadromous fish in the Yakima River basin. Dozens of activities are underway and in various stages of implementation. For example, the river levee set-back project in Yakima, Washington, is now complete and was jointly funded by Reclamation, the U.S. Army Corps of Engineers (Corps) and the City of Yakima, and provides multiple local benefits including fish and wildlife benefits, increased flood protection and improved water quality. Reclamation is currently in the design phase of a similar project near Ellensburg, Washington.

Additionally, Reclamation, along with several Federal, state, local and private partners, completed the Manastash Creek Conservation and Tributary Enhancement Project, which was the first construction project included in the Integrated Plan, and was completed in 2014. This project is considered a major success because portions of the stream that have been seasonally dewatered for over 100 years are now flowing year-round, and steelhead can be found in the stream. Other projects include providing permanent fish passage at Cle Elum Dam; construction

is scheduled to begin this year and is being co-funded by Reclamation and the State of Washington, which will help meet Reclamation's obligation for fish passage under the Yakama Nation Settlement Agreement, in addition to continuing acquisitions of land and water on the Yakima River and its tributaries where there exists a high potential for improved fisheries and watershed conditions. As of 2015, approximately 40,000 acre-feet (af) of water has been acquired for instream flows by Phase II projects and over 13,000 af has been conserved to improve irrigation supplies in drought years. These diverse projects combine planning, grant-making and direct construction through many partnerships.

This legislation specifically directs the completion of construction of fish passage at Cle Elum dam and at least one other Yakima Basin reservoir within the next ten years. This is extremely important to the Yakama Nation and various federal and state fishery agencies. Restoration of fish passage in the Yakima Basin is culturally significant and fish passage at the dams will open up tens of miles of pristine fish habitat currently inaccessible above the dams.

The Department would like to work with the sponsor's office and this committee to clarify the authorities that are utilized in the Yakima River Basin and altered by this bill, particularly those in Section 4(c) and Section 5. As currently drafted, we do not interpret the authorization provided in this bill to extend to the construction or raise of any large dams in the Basin, with the exception of Cle Elum Dam, despite their inclusion in the overall Integrated plan, the provision in Section 2(b)(8), and the provisions added by Section 5. In general, we interpret authorities added by this bill to be limited to carrying out those elements currently identified as the 'Initial Development Phase' of the Integrated Plan. We would also like to work with the committee regarding the fish recovery language at sections 2(b)(1) and 4(b)(3) [bill pages 2 and 15], the treaty language at 4(b) [bill page 12], and the instream flow language at section 4(b)(2) [bill page 14].

This legislation also allows for the irrigation districts to construct a facility to access a significant amount of water stored in the inactive pool of Kachess Reservoir. This will provide proratable irrigation districts with the additional water needed to increase their supply in drought years from a climate-model estimated low of 20-30% up to 70%. This legislation will also allow additional funds for water conservation on the Yakama Reservation, which is the largest irrigator in the basin and has a significant conservation need, to be able to help the entire basin with more efficient use of limited water supplies. Additional funds for the Cle Elum pool raise project are authorized which will allow control of another 14,600 af of water that can be used in ways beneficial to fish. There are many other benefits to this legislation, but the last I will mention here is that it allows the Secretary to accept cost share for many of these projects which allows Federal dollars to be leveraged to achieve more conservation.

The Integrated Plan has also provided for unprecedented collaboration between irrigation districts, the Yakama Nation and fish agencies, which can best be described by the recent example of Kittitas Reclamation District's (KRD) efforts to relieve hardships to local streams from drought. KRD has turned on siphons and water gates in its canals that provide flows to Manastash Creek and five other upstream Yakima River tributaries. Under an agreement with Reclamation, Ecology, the Yakama Nation and in consultation with the state Department of Fish & Wildlife, Yakima Project water is being routed through KRD canals on its way to downstream

diverters and passed through these small creeks. It then flows back to the same river it came from and it is available for diversions further down the Yakima River. This is being done in a manner that has no impact on the total water supply and still improves flow, fish habitat and vegetation lining creek banks.

Implementation of the YRBWEP is based on a funding strategy that includes the premise that projects with Federal participation will be cost-shared by Federal and non-Federal entities. For example, the State of Washington and Reclamation have signed a Memorandum of Agreement to provide 50-50 cost-share for the Cle Elum Dam Fish Passage Project, and the beneficiaries of the Kachess Drought Relief Pumping Plant have suggested that they will fund both capital and operations and maintenance (O&M) costs of that project. Additionally, several habitat enhancement and agricultural conservation projects are being funded by Federal, state, and local governments.

S. 1694 is being introduced at an opportune time when stakeholders understand the urgency in implementing many elements of the Integrated Plan and are willing funding partners, able to take on the operations and maintenance (O&M) of various elements of YRBWEP projects, thus taking the full funding and O&M burden off the federal budget. This unique opportunity is a result of many years of collaboration with a diverse group of stakeholders who have traditionally held opposing views but are now cooperatively working together to achieve real, tangible results. This legislation is essential in maintaining the momentum that has been built.

As stated above, while the Administration supports YRBWEP activities that are cost-effective and have a strong Federal interest through its budget request and through ongoing activities at other agencies, the Department is still completing its review of the introduced version of S. 1694. We understand it has undergone several recent revisions up through the preceding days, and we appreciate having been part of some of those revisions. The Department still needs to closely complete review of the introduced bill to determine its consistency – both from a budgetary perspective as well as a programmatic view – with the agreed-to elements in YRBWEP and the Integrated Plan. While the Department supports the sponsor's intention to authorize continued federal participation in the implementation of the Integrated Plan (a.k.a YRBWEP Phase III), we look forward to working with the bill's sponsor and the Committee to address specific elements of the bill once we have had the opportunity to conduct further analysis. The Department supports the goals of S. 1694; however, we reserve the right to submit additional comments on the bill in the future.

This concludes my written statement. I would be pleased to answer questions at the appropriate time. #