

**Council Meeting
Vancouver Washington**

January 17-18, 2006

Minutes

Reports from Fish and Wildlife, Power and Public Affairs committee chairs: 2

1. Council decisions: 2

- Project #2005-004-00 UPA Whitehall Wells 2
- Project #2005-003-00 UPA Entiat 4-Mile Wells..... 2
- Libby-Hungry Horse monitoring project 2

2. Status report on planning the design of a fall Chinook survival study: 3

3. Council decision on technical services contract to complete AHA data verification: 4

4. Presentation on 2005 field test of watershed monitoring protocols: 5

5. Report on Regional Dialogue and the future role of Bonneville in power supply:..... 6

6. Presentation by Energy Northwest on the IGCC Project: 8

7. Briefing on Independent Economic Analysis Board review of recreational salmon fishing impacts in Idaho: 9

8. Update on Fish Passage Center: 10

9. Briefing on Independent Scientific Advisory Board review of regional research plan: 11

10. Update on project selection process: 11

11. Council business: 12

- Adoption of minutes 12
- Approval of 2005 Annual Report to Congress 12
- Election of officers..... 12

Melinda Eden called the meeting to order at 8:15 am and adjourned at 3:40 pm on 1/18. All members were present.

Jim Kempton moved that the Council meet in executive session to discuss participation in civil litigation and internal personnel issues. Tom Karier seconded, and the motion passed unanimously on a roll-call vote.

Reports from Fish and Wildlife, Power and Public Affairs committee chairs:

Rhonda Whiting chair, fish and wildlife committee; Tom Karier, chair, power committee; and Larry Cassidy, chair, public affairs committee.

Eden reported that the Fish and Wildlife (F&W) Committee discussed within-year project funding and implementation, as well as funding recommendations for a habitat proposal, the Little Bridge Creek Fencing project. Some of the issues discussed were a preview of those that will come up in the Council's FY 2007-2009 projection selection process, she noted. We also talked about how to make the three-step process more efficient, Eden said.

Karier reported that the Power Committee discussed BPA's Regional Dialogue process. It's time for the Council to pay attention to this -- it's really rolling toward a conclusion, he said. The committee reviewed Power Plan implementation and the status of utility IRP processes, Karier noted. We also had a presentation on BPA's Integrated Planning Concept, he said.

1. Council decisions:

Doug Marker, director, fish and wildlife division; and Mark Fritsch, manager, project implementation.

- **Project #2005-004-00 UPA Whitehall Wells**
- **Project #2005-003-00 UPA Entiat 4-Mile Wells**

Staffer Mark Fritsch presented funding recommendations for two Updated Proposed Action habitat projects that deal with the removal of diversions and enhancing fish habitat. Kempton moved that the Council recommend that BPA fund the Updated Proposed Actions for Whitehall Wells and Entiat 4-Mile Wells in an amount not to exceed \$148,700 in FY 2006 funds. Karier seconded, and the motion passed unanimously. Cassidy said the F&W Committee has had several discussions about costs related to fencing in F&W projects. It's not the fencing cost, but the costs being added on by other agencies to do studies and NEPA reviews, he noted, adding that the Council will need to be aware of the issue for the upcoming project selection process.

- **Libby-Hungry Horse monitoring project**

Staffer Doug Marker presented a request for a funding adjustment for evaluation of Libby and Hungry Horse dam operations, noting that the Montana Fish, Wildlife and Parks agency is seeking \$360,336 to evaluate the biological effects of operating strategies called for in the Council's 2003 mainstem amendments, specifically a different summer operation at the dams for the benefit of resident fish. BPA funded the first round of the monitoring program, and this request is for the Council to approve funding to continue the study in 2006, he said. Any further

work would have to come through the FY 2007-2009 F&W project selection process, Marker added. Kempton moved that the Council recommend that BPA make a within-year funding adjustment in an amount not to exceed \$360,336 for the ongoing evaluation of the biological responses to dam operations at Libby and Hungry Horse dams, as requested by the Montana Fish, Wildlife and Parks agency. Bruce Measure seconded, and the motion passed unanimously.

2. Status report on planning the design of a fall Chinook survival study:

Paul Ocker, Fisheries Biologist, US Army Corps of Engineers.

Paul Ocker of the Corps of Engineers briefed the Council on planning for studies to evaluate survival of juvenile Snake River fall chinook using different passage strategies. We currently don't know the most appropriate operations strategy for Snake River fall chinook, and it's an important piece of the recovery puzzle, he said. We need to study summer spill and its effects on the fish, Ocker added.

In 2002, we started tagging Snake River fall chinook, but we were unable to reach our tagging target for several reasons, so in 2004 the Corps asked for proposals aimed at evaluating various migration strategies for the fish, he explained. In 2005, we selected the Northwest Fisheries Science Center to do the study, according to Ocker.

But some people didn't like the process we used, so we've decided to work collaboratively on getting a study design put together that will yield an answer that all parties will stand behind, he said. We decided to try to get agreement on the approach upfront to avoid disputes in the future, Ocker added. He described how the collaborative process has been set up, with technical, planning, and policy subgroups, and noted that there are representatives from the *U.S. v. Oregon* process involved.

One issue we face is that "fall chinook are notoriously difficult to study" and that "existing research techniques are heavily debated," Ocker continued. Also, the fish are difficult to tag due to their size, and the fish have different life histories and return at different rates, he noted. Temperature is an issue because we have to stop sampling when water hits a certain temperature, Ocker said. Our survival models are an issue, and we don't know what the effect of spill has been on the fish, he added.

We've talked with the states, tribes, and federal agencies and have agreed that PIT-tagging should be done of wild, production [hatchery], and surrogate fish [hatchery fish of a certain size that resemble wild fish], and that the study should cause minimal impact to the release tables being used in *U.S. v. Oregon*, Ocker said. When considering life-cycle survival, we have agreed that we need to consider harvest at all levels, including harvest by Canadians, he noted.

Progress is being made, but it is slow, Ocker reported. It will take a great deal of time to get agreement on some of the issues, and meetings have been difficult to schedule, he added. But since fish dictate schedules, to do a study this year, the fish need to be tagged in the next couple of months, Ocker said.

We are presently poised to tag 328,000 surrogate fish and as many wild fish as possible, probably around 20,000, he stated. But due to the lack of a collaboratively designed study, not all the *U.S. v. Oregon* parties support tagging the production fish, Ocker said.

Which entities are declining to provide the production fish you want to tag? Karier asked. The Nez Perce Tribe, replied Ocker, pointing out that the tribe's hatchery is operated under the auspices of *U.S. v. Oregon*. We have an agreement for releasing surrogate fish, but we don't have an agreement on production fish, he said.

Is the purpose of this to compare survival with spill versus transport? Karier asked. It is complex, and there are many ways to look at it, and I can't go too far in a description because we haven't reached agreement on the study design, Ocker replied.

To what extent is there a flow component in the discussions about study design? Eden asked. In 2003, the Council discussed flow when it adopted mainstem amendments, and I hope the scientists aren't abandoning discussions about that controversial area, she said. The Council hopes to learn more about flows and their effect on fish, Eden added. We haven't gotten to that issue yet, but I'll take your message about it to the next meeting, replied Ocker.

As far as the Corps goes, our research program is geared to fixes and operations at the dams, and the big question for us is, do we leave the fish in-river or transport them, he said. Our focus is operation on the Snake River and at McNary, and I'm not sure how much flow plays into that, Ocker added.

We'll keep up our pressure to get information on these issues, said Eden. Ocker promised to come back and report in a month or two.

3. Council decision on technical services contract to complete AHA data verification:

Peter Paquet, manager, wildlife and resident fish; and Lynn Palensky, subbasin planning project manager.

One of the steps needed to complete work on the All-H Analyzer (AHA) tool, which will be used to help the region formulate draft provincial F&W objectives, is to verify the accuracy of the data inputs for the model, staffer Peter Paquet told the Council. There are 213 fish stocks in 19 subbasins for which verification needs to be completed, he said. Paquet presented a request for \$40,000 to hire an independent contractor, John Barr, to do that.

When this is done, will we get an abundance goal for each province? Karier asked. Ultimately, we'll get adjusted numbers for the stocks in the subbasins, which can be aggregated into proposed provincial objectives, replied Paquet. So this will get us to provincial objectives? Karier pressed. Yes, replied Paquet. By when? Karier asked. April, Paquet said.

Dick Stone of the Washington Dept. of Fish and Wildlife (WDFW) noted that his agency had worked closely with Council staff on AHA and wants to use the model in eastern Washington. After the data is validated, we'll have agreed-upon inputs to the model, but that doesn't

necessarily give you objectives, he said. We will need to sit down and discuss what other activities need to take place before we come up with the objectives, Stone added.

How will the AHA work integrate with NOAA Fisheries' Technical Recovery Team (TRT) process? Kempton asked. We haven't seen what that process has produced, but NOAA Fisheries sees AHA as a tool to cross-check the work TRT teams are doing, replied Paquet. We've met with Rob Walton of NOAA Fisheries to show him the products we have thus far, Marker reported. While we are taking subbasin plans and moving up to provincial objectives, NOAA Fisheries is focused on delisting criteria and is working at a much finer level of detail, he added. Kempton moved that the Council authorize the executive director to negotiate a contract in an amount not to exceed \$40,000 with John Barr to complete verification of data inputs into the All-H Analyzer. Cassidy seconded, and the motion passed unanimously

4. Presentation on 2005 field test of watershed monitoring protocols:

Brett Roper, National Aquatic Ecologist, USDA Forest Service; and Steve Lanigan, U.S. Forest Service

Brett Roper of the U.S. Forest Service (USFS) reported on a study done last summer in the John Day Basin to look at the comparability of different field data collection methods, sponsored by the Pacific Northwest Aquatic Monitoring Partnership (PNAMP). The goal of the study was to determine how to become more effective and efficient in collecting aquatic habitat data, he said.

There are a lot of groups doing aquatic habitat monitoring -- one study in 2001 identified 112 different published protocols for sampling aquatic ecosystems in the Northwest, according to Roper. PNAMP is interested in trying to get the different groups to collect data in similar ways so results are more comparable, he said.

The John Day study compared the sampling of 12 streams by nine agency and tribal monitoring crews for attributes such as stream width and slope, Roper explained. The study found the measurements by the different groups varied quite a bit, and in one instance, led four groups to conclude that a stream was healthy, while three groups said it was unhealthy, he noted.

The good news from the study is that there is widespread interest in improving the quality of stream habitat data, sharing data, and making protocols comparable, Roper stated. There is a need for better quality control and protocol definition and to understand "the relationship between a monitoring group's answer for a stream attribute and the 'truth,'" he said.

A proposal has been submitted to BPA to resolve protocol differences and determine which habitat attributes provide useful data, Roper reported. "Some attributes are measured so poorly by everybody that it seems to be a waste of money," he commented.

It's very important to come to a conclusion on this, said Karier. We can do better on standardizing protocols and do it voluntarily as much as possible, but we can also get to it through our funding mechanism, he stated. The Council's 2000 F&W program said that standard protocols would be adopted, Karier noted.

There's been a concern about having standard ways to count fish and to measure habitat for a long time, said Dukes. What's your timeline for getting this work done? she asked. We are trying to get funding from BPA and others to be able to have a more concentrated effort, replied Steve Lanigan of the USFS. It's a voluntary effort, and some agencies haven't participated, but most have, he added. We don't have a specific timeline, but by the end of two or three years, we might be able to put some answers out there, Lanigan said. Funding will drive how this gets done, added Roper.

We ought to be moving forward on this, stated Dukes. If people disagree widely on how wide a stream is, how do you know what the carrying capacity is? It makes a huge difference, she said.

If we can come up with some preferred protocols in the next couple of months, we should get that done, stated Karier. We want to spend less money on this, added Eden. With all these people going out and measuring the same data, it can waste money, she said. We are looking for progress on this to be made quickly, Eden stated.

5. Report on Regional Dialogue and the future role of Bonneville in power supply:

Paul Norman, Bonneville Power Administration.

We've been trying to define the future role of BPA in the region's power supply for some time, and if you go back to the Regional Review, it's been 10 years, said Paul Norman of BPA, kicking off a briefing on the Regional Dialogue. We've made a lot of progress, but we are not quite there yet, he said.

BPA released a concept paper in September and chartered a Principals Management and a Technical Group to advance the dialogue, and PNUCC has sponsored utility meetings to talk about the issues, Norman reported. He emphasized the complexity involved in trying to solve all the issues in ways that meet the interests of the various parties.

While we've made much progress, things are dynamic right now, Norman told the Council. He went over the outstanding issues, noting that the key issue is long-term service to public utilities. There has been tentative agreement on the amount of power the publics will get over a 20-year period, but BPA has proposed that if a utility's load is temporarily not as high as its allocation, BPA could sell that power, and the publics have told us they don't like that arrangement, Norman said. We think by 2012 there might be about 400 to 500 MW of load that falls below "the high-water mark" of allocation to the publics, he added.

Karier said the Council's position is that utilities that invested in conservation and reduced their load as a result should not be penalized. I thought a compromise had been reached on that issue, he said. BPA agrees with the Council on the conservation issue, and we are working hard with the utilities to find a solution that makes sense, Norman stated.

We have agreed with the utilities' proposal that 250 to 300 MW be made available for new publics that may form, Norman continued. But the utilities have also proposed that BPA acquire power to serve them, rather than take the power out of the existing system, he said. Norman

termed that idea “a bitter pill” and one that departs from the idea of limiting BPA’s role. We have tentatively agreed to the concept, but there is still concern about this issue, especially in Montana, he noted.

IOU benefits are “the biggest bone of contention right now,” Norman reported. There is still a wide debate over how much money is involved, he said. This issue is in front of the Ninth Circuit Court so it’s hard to try to settle it, Norman added. The publics and the IOUs seem serious about trying to solve this, and if the Council can encourage them to do so, we urge that, he said.

BPA cost controls are “another huge issue,” according to Norman. Utilities are concerned about “giving BPA a blank check,” and they want cost-control assurances, he stated. We have been discussing how to make enhancements to the activities of the Cost Management Group, and “I’m fairly optimistic” we’ll find a way to resolve disputes over cost issues, Norman said. Kempton asked if off-ramps were part of the discussion, and Norman replied that “a limited off-ramp is part of the solution we propose.”

BPA and its customers have done a lot of good work on the overall issue of dispute resolution and what should happen if customers think the terms of their contracts over time are not being honored, he said. This work won’t be finished until the contracts are actually written, but we are trying to get to a general rule that feels right to people at this point, according to Norman.

We are also trying to agree on the timing of a long-term rate methodology, and the question of service to the DSIs is still being worked on, he reported. There’s been good progress on Slice issues, Norman noted. We’ve tentatively agreed to the amount of Slice power -- about the current amount, he said. The Slice product would be similar to what it is now, but there would be some backing off on the amount of operating flexibility that Slice customers have, Norman explained.

We continue to discuss the issue of BPA transfer service and whether BPA should pay for delivery of power from third parties to its customers or only for transmission of its own power, he stated. Another area of discussion involves the extent to which BPA has a role in renewables development in the region and under what circumstances BPA would be an “anchor tenant” for renewables, according to Norman.

Overall, no one’s agreeing to one piece until they see the entire package, but there’s no guarantee that we’ll get to an overall agreement, he said. We have extended the attempt to build consensus through mid-February, but that’s the last extension we will grant, Norman stated. “We’re not going to keep kicking the can in terms of extending the discussion,” he added. BPA expects to release a policy proposal in late March, Norman concluded.

I agree there’s a consensus on most of the bigger issues, and there’s a lot of momentum and a sense that a compromise can be reached, said Karier. He suggested that BPA consider tying its renewables development activities to an objective guidepost like the Council’s Power Plan, similar to the way BPA’s conservation goal is tied to the Council’s plan. Our concept paper proposed we do that with renewables, but the struggle we are having is that it is not as clean-cut as conservation, which can be measured in a specific number of megawatts per year, replied

Norman. We like the idea of using the Council's plan as a metric for renewables, and we'd like to talk more on how that metric can be developed, he said.

Danielson asked about "phasing in" of service to new publics. We have talked about 50 MW per year for a three-year rate period, and that has led the group trying to form a big new public utility in Montana to object, since its load would be over 50 MW, Norman stated. That's the only problem with phasing I know of, he added.

Is the renewables discussion focused on wind? Danielson asked. Yes, that's where most of the action is now, replied Norman. Dukes asked about utilities that want to sign new contracts sooner than is scheduled. The target is to get long-term contracts signed by October 2007, replied Norman. We'll sign in 2007, but we won't start operating under the new contracts until October of 2011, he explained, adding "it's an awkwardness, but that's the only way we can get certainty for the utilities."

"I may have painted too rosy a picture," Norman commented. "I don't want to relieve you of the pressure to push people to focus and to compromise and come to conclusions," he told the Council.

I commend you for your commitment to move ahead, said Dukes. I hope there will be agreement, but I have concerns about whether there will be, she stated. Your customers need to understand that you will move ahead and make decisions, Dukes added.

6. Presentation by Energy Northwest on the IGCC Project:

Jack Baker, vice president, energy business services; Tom Kruger, project development manager, Energy Northwest.

One action item in the Council's Power Plan calls for the region to assess Integrated Gasification Combined Cycle (IGCC) coal technology and consider a demonstration project of it, staffer Terry Morlan told the Council. Energy Northwest has now proposed such a project, he said.

Tom Krueger of Energy Northwest said the joint operating agency's primary focus is generation, and that Energy Northwest supplies 12 percent of BPA's firm energy through its Columbia Generating Station. We have talked with our members and looked at their needs, and we think, even with moderate growth, the Northwest will need new baseload generation, probably in the range of 1,200 to 2,400 MW over the next five to six years, he stated. Energy Northwest is proposing the Pacific Mountain Energy Center, a 600-MW IGCC plant to be located on an industrial site owned by the Port of Kalama in southwest Washington, Krueger said. We expect the plant could go into operation by 2012, he stated.

There's a risk of too much dependence on natural gas, and with natural gas prices rising, the time for IGCC has come, Krueger said. "We need to have diverse resources, and we need to get the competitive advantage the Pacific Northwest used to have back again," he stated.

We looked at various options and found that conventional coal plants have attractive costs, but significant environmental issues, Krueger continued. There are also transmission issues

associated with getting power from facilities in Montana to load centers here, he said. We think IGCC is the best option for a variety of reasons, Krueger stated. With IGCC, you are not burning coal, you are transforming that feedstock into a clean gas, he explained. It's a sophisticated way to process and remove impurities, Krueger added.

He noted that the plant could use petroleum coke, which is abundant in the West, as an alternative fuel, and that it could also run on natural gas. Half of the power from the facility would be owned by Energy Northwest's public utility members, and the other 300 MW would be privately owned and financed, Krueger said. We are talking to IOUs about the plant now, he added. The plant would create 80 to 100 jobs, and the cost of the power would be in the range of \$45 per MWh or less, depending on the petroleum coke supplies, Krueger stated.

The plant site is near a steel plant and a chemical plant and is zoned heavy industrial, he noted. "We kind of fit in the neighborhood," Krueger said. The site has ample water and transmission and diverse fuel transportation access, he added.

Krueger said the IGCC plant would have equipment to remove mercury to non-detectable levels and to remove sulfur. We are working with the Pacific Northwest National Laboratory on ways to sequester the carbon dioxide from the plant, possibly injecting it into the basalt formation under the site, he pointed out.

Are there subsidies in the 2005 Energy Policy Act for these types of plants? Karier asked. Yes, there is a 20 percent tax credit for private investment in them, and we intend to apply for that, replied Krueger. Is this process water-intensive? Cassidy asked. It uses 30 percent less water than pulverized coal, but it's still a significant water user, replied Krueger. The Port has water rights on the site and will extract water for the plant from deep wells, he added.

"It looks like you have really got your stuff together," Cassidy commented. Will there be any effect on the fish in the Kalama River? he asked. We won't do anything to impact that river, replied Krueger.

7. Briefing on Independent Economic Analysis Board review of recreational salmon fishing impacts in Idaho:

Hans Radtke, IEAB; and Terry Morlan, director, power division.

Independent Economic Advisory Board (IEAB) member Hans Radtke reported on the IEAB's review of a 2005 study by Don Reading titled "The Potential Economic Impact of Restored Salmon and Steelhead Fishing in Idaho," which said that a restored salmon and steelhead fishery would have an economic impact of \$544 million annually in Idaho. He noted that the IEAB's 2005 study, "Economic Effects from Columbia River Basin Anadromous Salmonid Fish Production," found that recreational and commercial fishing for salmon and steelhead originating in the Columbia River Basin creates \$140 million in total personal income throughout the western United States and Canada. The IEAB's analysis of the Snake River region, which is similar to Reading's Idaho region, estimated personal income impacts to be \$7 million, compared to Reading's \$544 million, Radtke said.

The IEAB looked at why the results of its studies and Reading's are so different, he stated. One reason is that Reading's modeling was not done correctly and was not done to standards that economists have defined for input-output modeling, according to Radtke. If I had done the evaluation that he did, I would have come up with about \$10 million to \$16 million in impacts, he noted.

Radtke said the IEAB's review includes a discussion of how input-output modeling should be done that could be used "to set up sideboards" for the conduct of such work in the future. Since issues are becoming much more contentious, it would be useful to get some economists together and establish what economic impact studies should do and not do, "so we don't get these wild numbers," he suggested. My first reaction when I saw the report that \$544 million would be generated in Idaho was, "let's shut everything down and give all the fish to Idaho," Radtke said. We need to have studies that provide policymakers with good information, he added.

Did the Reading report talk about restoring fish to pre-European migration levels? asked Cassidy. That's another criticism of the report, replied Radtke.

8. Update on Fish Passage Center:

Greg Delwiche, Bonneville Power Administration; and Doug Marker.

We received five proposals in response to our RFP for an entity to take over the functions of the Fish Passage Center (FPC), Greg Delwiche of BPA reported. We formed an internal committee to review the proposals and established these criteria for the review, he said: technical merit; depth of experience, skills and abilities; demonstrated ability to maintain impartiality in performing technical tasks; ability to provide continuity in taking over information from the FPC; cost; and cost-effectiveness to BPA.

We sought external review of the proposals from two individuals, former Columbia Basin Fish and Wildlife Authority (CBFWA) director Brian Allee and from a professor at the Public Policy Research Institute at Boise State, Delwiche noted. Both of their reviews were consistent with our internal review, he said. We plan to make our recommendation to our front office this week, and we'd like to meet with the Council by conference call on January 26 "to announce a path forward," Delwiche stated.

There has been a discussion of expanding the role of the Independent Scientific Advisory Board (ISAB) with respect to fish passage analysis, Karier said. How would that fit in with the options you are looking at? he asked. It could well fit in, but we need to talk more about it, replied Delwiche. The staff has discussed having the ISAB review mainstem questions and issues that come to the Council from a variety of sources, said staffer John Shurts. The idea is that the ISAB could set up a mainstem subcommittee that could provide us a quick response on mainstem questions, he noted. What we propose with respect to the FPC will be something that can be improved upon and refined, responded Delwiche.

The ISAB is one of the premier science bodies in the region, but I'm concerned about setting up something that would cause our science reviewers to be "constantly dragged into court" to support one side or another, said Melinda Eden. This proposal would not change the ISAB's

function or role; it would just create a subcommittee to do reviews, responded Shurts. “More discussion is needed on this,” Eden said.

9. Briefing on Independent Scientific Advisory Board review of regional research plan:

Dr. Nancy Huntly and Dr. Robert Bilby, ISAB members.

Dr. Nancy Huntly of the ISAB, in a report on the ISAB’s recent review of the Council’s Draft Columbia River Basin Research Plan, said the plan was good, but too long and repetitive. We recommended that it be edited down to something more like an executive summary and provided the Council an example of how that could be done using material from the draft plan, she said. “You have quite a good plan, and it could give you what you’ve been looking for some years -- a useful, articulated central research plan,” Huntly stated.

Are you telling us our plan is done? Eden asked. It needs some polishing, but yes, we think you have something that will work, replied Huntly. The ISAB’s condensing of the plan makes it easier to see what the priorities and main components are, observed Karier. The sooner we can adopt this plan, the more useful it will be in our project selection process, he said.

Staffer Steve Waste said he planned to convene a work group to “grapple with issues of implementation” of the plan. Our fish and wildlife (F&W) program calls for a research plan, and the ISAB is saying we pretty much have one, said Karier. We should adopt it, and our F&W committee can work on implementation, he suggested. It would help the Independent Scientific Review Panel and peer reviewers to have the research plan available, Huntly said.

Will the plan be ready for adoption next month? Danielson asked. Yes, but I need to meet with CBFWA, which has said they want to include additional information in the plan which they haven’t given us yet, replied Waste. Please don’t tell me you are going to rewrite the plan, Danielson stated. Staff will look into whether the plan can be adopted next month, and if not, why not, and report back to you, staffer Doug Marker told the Council.

10. Update on project selection process:

Patty O’Toole, program implementation manager.

Staffer Patty O’Toole reported that the Council’s FY 2007-2009 F&W project solicitation, which ended January 10, resulted in the receipt of 542 proposals. For FY 2007, \$354 million was requested, and for the three-year period, the proposals total just over \$1 billion, she noted. There were quite a few proposals for new work, O’Toole told the Council.

We received 377 anadromous fish proposals, 105 resident fish proposals, 56 wildlife proposals, and 4 proposals were combinations, she reported. We are sorting the projects, and BPA is going to review them to make sure we all understand which could be capitalized, O’Toole noted. Prioritization and the science reviews of the projects will take place between now and June 16,

she said. The schedule calls for the Council to make funding recommendations to BPA in October of this year, O'Toole added.

We plan to put out an issue paper that explains how we intend to organize and document the issues that emerge in the project selection process, and we will coordinate with other regional entities on monitoring and evaluation requirements to be used in project selection, she said. In short, we have a big box of proposals in hand, and we have a lot of work to do to review them and to manage a budget for them, O'Toole added.

11. Council business:

– Adoption of minutes

Kempton moved to approve the minutes for the December 14, 2005 Council meeting held in Portland, Oregon. Cassidy seconded, and the motion passed unanimously.

– Approval of 2005 Annual Report to Congress

Kempton moved that the Council approve the Fiscal Year 2005 Annual Report for submission to Congress. Karier seconded, and the motion passed unanimously.

– Election of officers

Cassidy nominated Dukes to be the Council's vice-chair, citing her wealth of experience. Danielson seconded, and the motion passed unanimously. Kempton nominated Karier to be chair, pointing out that he had served as chair of the Power Committee twice, as well as vice-chair of the Council. Cassidy seconded, and the motion passed unanimously.

Outgoing chair Eden thanked Kempton for his service as vice-chair. She said 2005 was one of the most challenging and rewarding years of her career. "I've learned a lot -- it's been an honor and a privilege, and I thank you," Eden stated. Karier said Eden helped raise the standard for a Council chair. "That will make it a challenge for me in the coming year," he added.