

**COLUMBIA
River Treaty**

**LOCAL GOVERNMENTS'
COMMITTEE**

**Columbia River Treaty: Draft Recommendations
Summary of November 2013 Feedback
From Basin Residents
February 2014**

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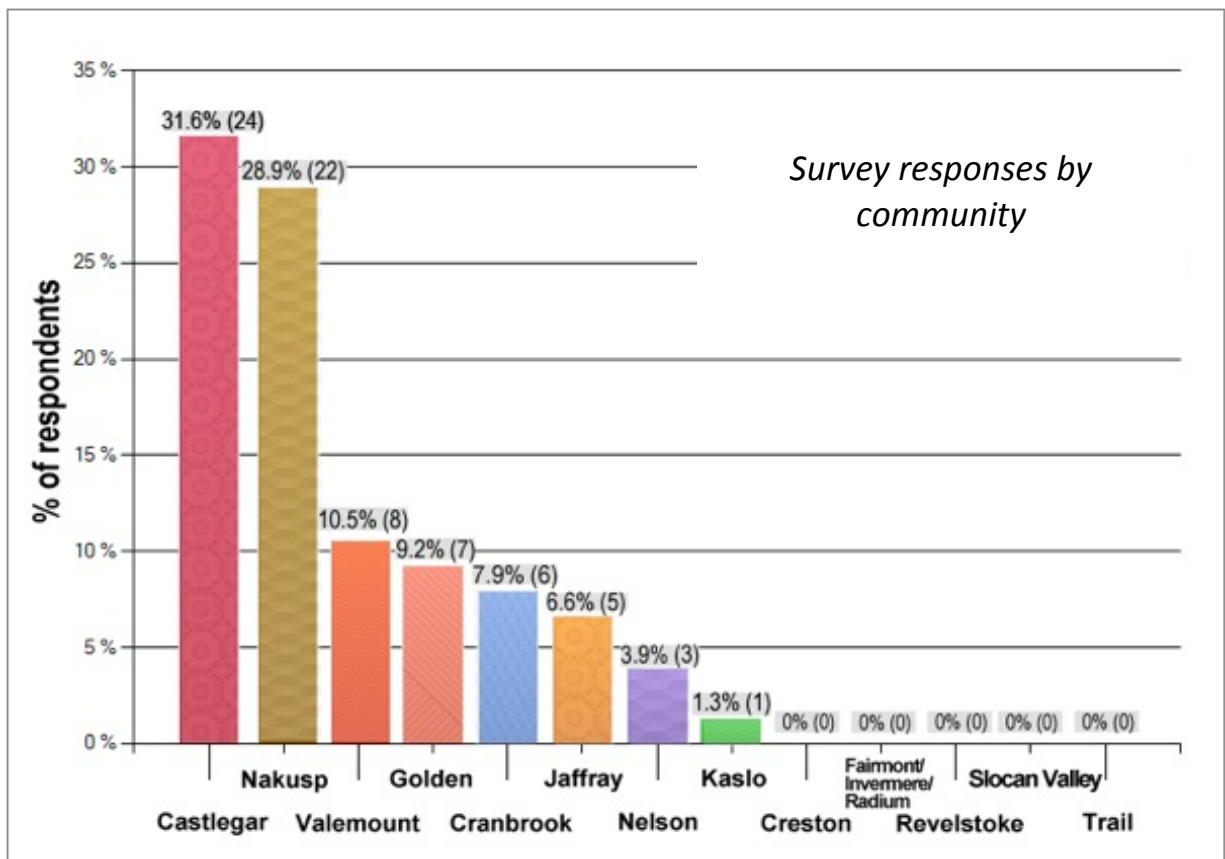
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Background

The Columbia River Treaty (Treaty) is an international agreement between Canada and the U.S. for the joint development, regulation and management of the Columbia River in order to coordinate flood control and optimize electrical energy production on both sides of the border. The Treaty has no official expiry date, but has a minimum length of 60 years, which is met in September 2024. It is possible that one or both countries may wish to renegotiate parts or all of the Treaty, or terminate it entirely, with 10 years prior notice.

Since 2011 local governments in the Canadian portion of the Columbia Basin have worked together through the Columbia River Treaty Local Governments' Committee to ensure the views and values of



residents of the Columbia Basin in BC are incorporated in any discussions and negotiations regarding the future of the Columbia River Treaty. During this period the Committee has heard the values, concerns and issues Basin residents have regarding the Treaty. Many of these issues are 'domestic' and can be solved here in BC through the cooperative efforts of the federal, provincial and local governments, hydro-electric operators and residents. The Committee has summarized these issues to ensure they are communicated to the Provincial Treaty Review Team.¹ The Treaty Review Team is advising the provincial government regarding the future of the Treaty.

¹ cbrt.org/crt/assets/pdfs/CRT_Dam_and_Reservoir_Issues.pdf

The Committee has sought input and advice from Basin residents and experts to identify potential solutions to the issues raised by Basin residents. In October 2013 the Committee released a set of draft recommendations regarding the International Treaty and domestic issues, and invited input from residents on these draft recommendations via an on-line survey.² The Committee's draft recommendations are included at the end of this document. The Provincial Treaty Review Team also issued their draft recommendation in October regarding the future of the Treaty.³

In November 2013, the Committee co-hosted a series of community meetings with the Provincial Treaty Review Team to secure input on these recommendations. These meetings were widely advertised through the print media, emails and social media. About 230 people attended meetings in Jaffray, Cranbrook, Golden, Nakusp, Castlegar and Valemount. An evening community meeting was held in Jaffray, Golden, Nakusp and Castlegar, with the Castlegar meeting being livestreamed. In Cranbrook the Committee hosted a morning meeting with local government representatives, and in Nakusp an afternoon meeting was also held to accommodate community scheduling.

In Castlegar the Committee also sought input from the Provincial Treaty Review Team's Sounding Board⁴ – a geographically balanced group of Columbia Basin residents with knowledge and/or experience with dam/reservoir planning and operations. The Columbia Basin Roundtable, which is in the process of being formed, provided its comments directly to the Committee.

Over 100 individuals took the time to provide written input on the Committee's draft recommendations through the on-line survey, surveys completed at the community meetings and written submissions. The figure below shows the geographic location of the majority of survey respondents (25 of the 101 respondents did not provide their location).

The Committee also met with the Ktunaxa Nation Council (KNC) to review the draft recommendations. The KNC and the Committee appreciated the opportunity to collaborate in developing recommendations on the Treaty, and look forward to further collaboration. The KNC has prepared and submitted their recommendations directly to the Province of BC and Canada.

This report summarizes the input the Committee received through the completed surveys, written submissions, community meetings, the KNC and the Treaty Review Team's Sounding Board and the Roundtable.

² akblg.civicweb.net/Documents/DocumentDisplay.aspx?Id=210

³ blog.gov.bc.ca/columbiarivertreaty/files/2012/07/Columbia-River-Treaty-Draft-BC-Recommendation.pdf

⁴ blog.gov.bc.ca/columbiarivertreaty/sounding-board

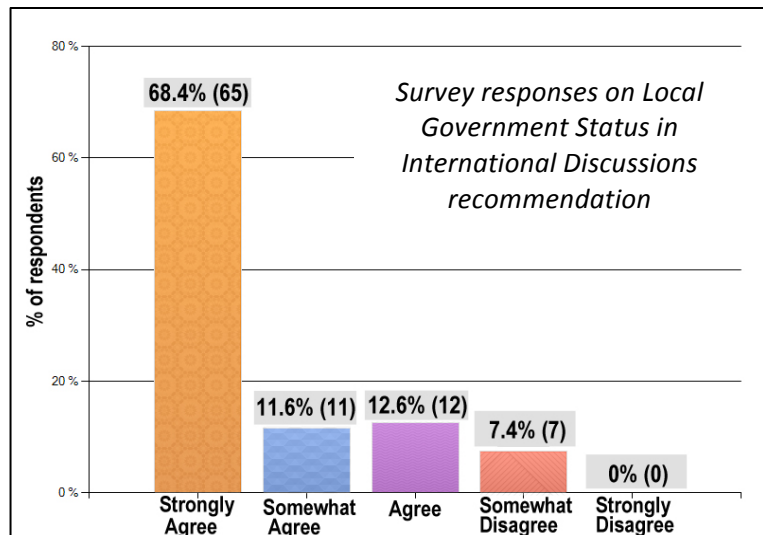
A. International Treaty

The Committee's draft recommendations outlined the outcomes that are important to Basin residents. Two survey respondents advocated for the Treaty to be terminated to ensure the current impacts are addressed, with one suggesting that this be followed by decommissioning all of the dams over 30 years old. One survey response called for termination to signal to the U.S. that BC is serious about seeking an equal share of the benefits from the Treaty. Three comments emphasized the importance of proactive, careful negotiations to ensure BC secures our fair share of benefits from the Treaty. Two submissions supported either Treaty termination or substantial changes to address the current significant ecosystem impacts.

Local Government Status in International Discussions

Ninety-four per cent of respondents agree with this recommendation. Several noted that local government should at least have observer status in international discussions regarding the Treaty because this level of government is closest to the residents of the Basin; understands the needs of the areas affected; and has done a "ton of work" on the Treaty to date. A stronger role for local governments than observer status was called for by several respondents, suggesting "a seat at the table—with equal or greater status than the provincial and federal governments," to be a "consult partner," or to have "next room" status.

The KNC requested that the Local Governments' Committee support observer status for the KNC, as well as the creation of a "mandate committee," which would include participation of First Nations, Canada, BC and the Committee to guide any negotiations.



Two respondents pointed out that, if local governments are involved in international discussions, complete transparency with Basin residents and ongoing input by residents would be required. A single comment emphasized the huge importance of carefully considering who would be involved, as trust will be essential.

An individual stated that provincial and federal legislative members are elected to represent residents in these types of topics, and local governments will, generally, be more interested in their respective local issues rather than these broader responsibilities. Another commented that local governments do not have the technical expertise on hand to provide adequate input. Two respondents called for a community-based regional governance model to fill this role.

No Further Negative Impacts to the Basin

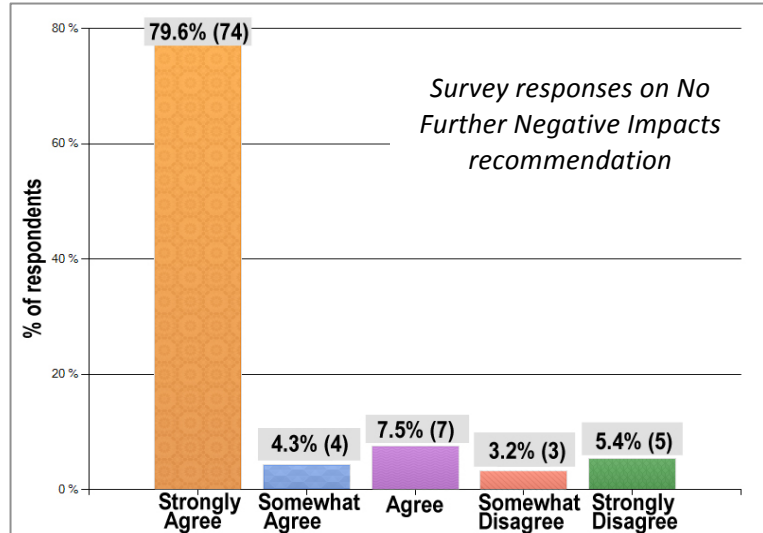
Although this recommendation was largely supported by respondents, most comments stated that instead of focusing only on “no further negative impacts,” efforts should also be focused on reversing *existing* negative impacts. The KNC encouraged the Committee to strengthen this recommendation to state that no further impacts are acceptable, without any qualifiers.

Impacts related to ecological systems were most frequently emphasized:

comments suggested that addressing these impacts would likely require adjustments in dam operations. Reducing current impacts to agriculture and forestry were also mentioned.

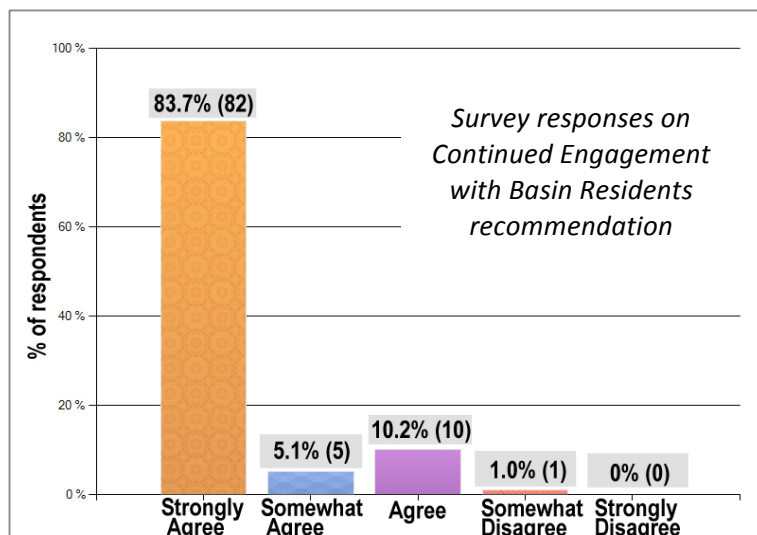
Several respondents noted that it was going to be difficult to define a “negative impact” because what is negative for some is positive for others. A prioritized list of impacts—from most to least acceptable—was suggested.

One respondent supported this recommendation, except if public safety (i.e. from flooding) was at risk. Another respondent noted that Basin residents may have to give up something to get improvements in other areas, which might create negative impacts.



Continued Engagement with Basin Residents

This was the most strongly supported recommendation, with all but one per cent of respondents in agreement. Several provided passionate comments that those who are affected by the Treaty are the



most interested and concerned about the Basin, and the U.S. need to be at the forefront of all decisions related to the Treaty. Several respondents commented on the need for Basin residents to continue to receive regular public updates about the status of Treaty discussions and decisions. A continuing role for Columbia Basin Trust (CBT) was also noted.

This recommendation was supported by the KNC, on the understanding that ‘Basin residents’ includes First Nations. Three individuals called for

including the Sinixt Nation in the Treaty process, citing the need to reinstate recognition of this First Nation.

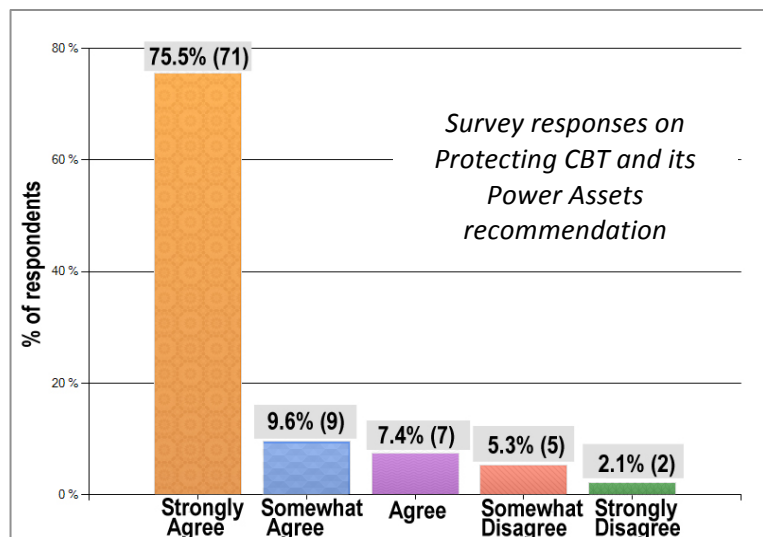
A number of comments expressed skepticism about whether input from Basin residents would be heard by the government and change the implementation of the Treaty. One submission suggested the Committee consider establishing a 'treaty' with the provincial government regarding the future relationship between the Province and Basin residents with regard to the Treaty.

One respondent recommended a random sample of residents from different Basin communities is needed to secure a statistically accurate sample of opinion. Another stated that elected provincial and federal legislative members should represent Basin residents, as most residents will only be interested in their personal issues.

Protect CBT and its Power Assets

All but seven per cent of respondents agreed with this recommendation. Several respondents commented on the importance of CBT continuing as an independent agency, ideally with even more distance from the provincial government. This recommendation was also supported by the KNC.

There are concerns about how CBT distributes funds within the Basin, with four comments questioning whether the areas most affected by the Treaty receive their "fair-share of funds," and there are concerns about the portion of funds going to infrastructure/wages and "in-house projects." It was also suggested that CBT's funding should come from fair-sharing of Treaty benefits, not from its power assets.



One group questioned whether it was possible to protect CBT's power assets and improve ecosystem function. Two comments questioned whether managing the Arrow Lakes Reservoir at a stable, lower level for improved ecosystem function would reduce revenues at the Arrow Lakes Generating Station. Two comments were supportive of the potential addition of generation capacity by CBT and Columbia Power Corporation at Duncan Dam.

Expand the Focus of the Treaty to Include Ecosystems and Other Interests

This recommendation received the third highest support, with 81 per cent of respondents strongly agreeing. Respondents provided the greatest number of comments about this recommendation, with many showing deep passion about this topic.

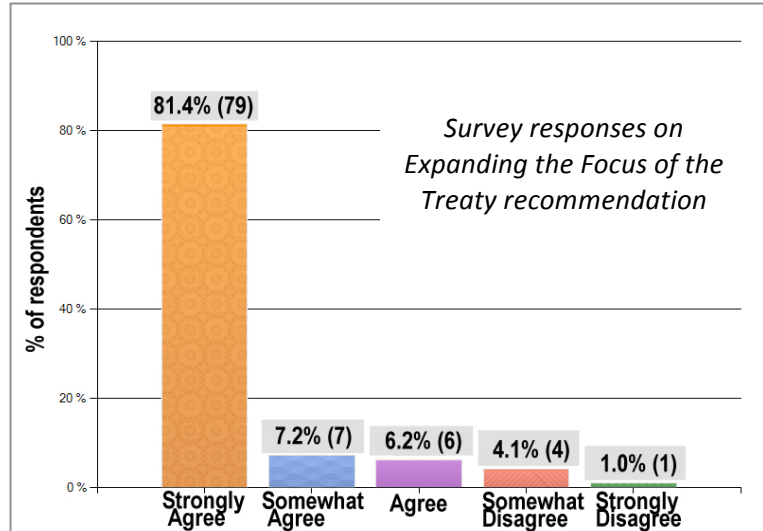
Almost all of the comments supported expanding the focus of the Treaty to include ecosystems, with some noting this would require

refinements to dam operations and less fluctuation in reservoir levels. One group noted that the recent technical studies the Provincial Review Team has completed to model an environmental scenario and managing Arrow Lakes Reservoir at stable, lower levels are incomplete and must be explored further. Two comments stated that an increased focus on ecosystems would support social and economic recovery within the Basin. The KNC encouraged the Committee to strengthen this recommendation to make ecosystem function a co-equal purpose of the Treaty, alongside hydro-power and flood control. Two individual comments and one group called for a separate, stand-alone statement to emphasize the importance of placing ecosystems at the same level as flood control and power generation in the Treaty.

A lower, stable water level in the Arrow Lakes Reservoir, as occurred during 2013 to accommodate construction at Mica Dam, was identified as essential to improving ecosystem functions by four respondents. Two called for lower, stable levels in Duncan and Kinbasket Reservoirs as well. Restoration of riparian zones, ecosystem health, and integration of climate change were mentioned as other specific needs. One respondent commented on the important role local governments play in regulating riparian zones through planning and property acquisitions.

Three respondents called for a focus on water as the primary value, first for domestic use, second for habitats and to restore natural flows and salmon, then finally for other human uses (e.g. agriculture, recreation, etc.).

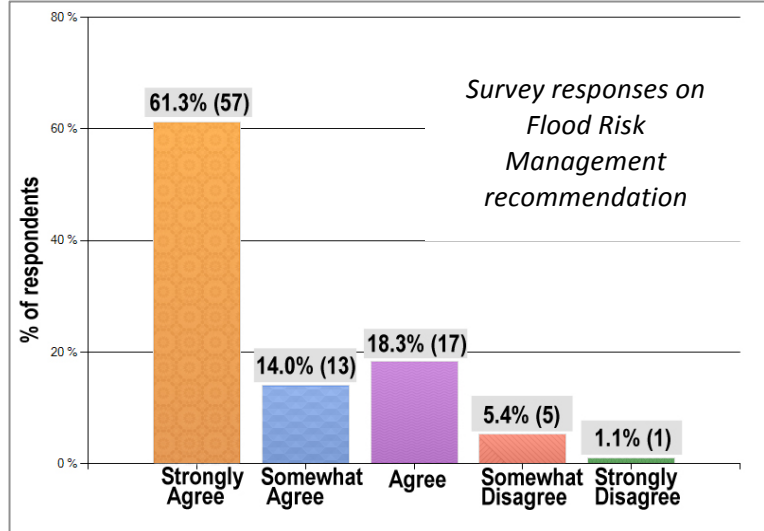
One comment questioned whether much can be done for flooded ecosystems. One group asked for a definition of “other interests.”



Flood Risk Management

There was a lower level of agreement with this recommendation than with others. It was supported by the KNC.

Several comments recognized that flood control is key to the Canadian negotiating position, as it is essential for the safety of humans and property in BC and the U.S. It becomes more important with the projected local impacts of climate change, and is linked to recovering ecological functions, especially in riparian areas.



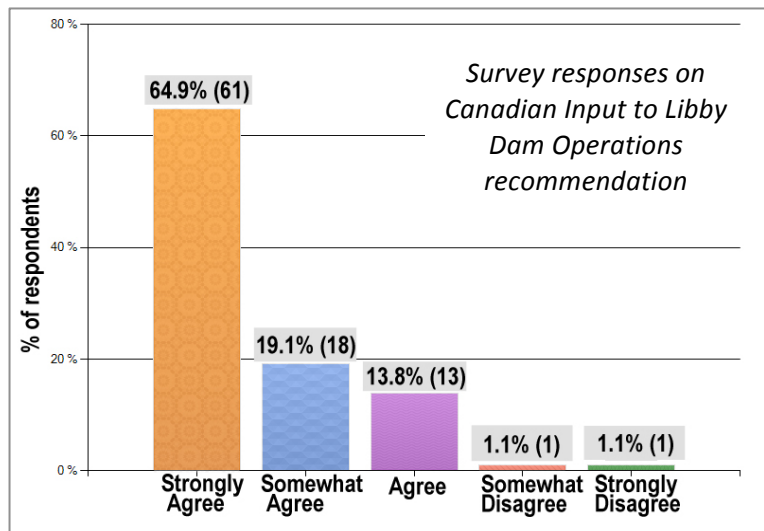
The role of local governments in BC and the U.S. is one aspect of flood control that needs more attention according to four respondents, who stated that local governments should stop allowing development in historical floodplains. One respondent stated flood control is a provincial and federal responsibility.

The implications of “Called Upon” flood control post-2024 prompted two respondents to suggest this is actually the best option for BC, except for Koochanusa Reservoir, which, like other U.S. reservoirs, would be drawn down deeply before the U.S. could look to BC for further flood control. Two respondents stated that the U.S. must take more responsibility for their flood control, placing less of the burden on BC.

One comment noted that very little emphasis is put on the effects of flooding on Kootenay Lake, despite the high assessed values and taxation from this area.

Canadian Input to Libby Dam Operations

Ninety-eight per cent of the survey respondents agree with this recommendation. A few respondents seemed astonished to learn that although the U.S. has substantial input to the operations of the three Treaty dams in BC, BC has limited input to Libby Dam operations in the U.S. Several comments stated the importance of BC input because of the immense impacts Libby Dam has on much of the Kootenay River system, including the dikes in the Creston area and Kootenay Lake. This



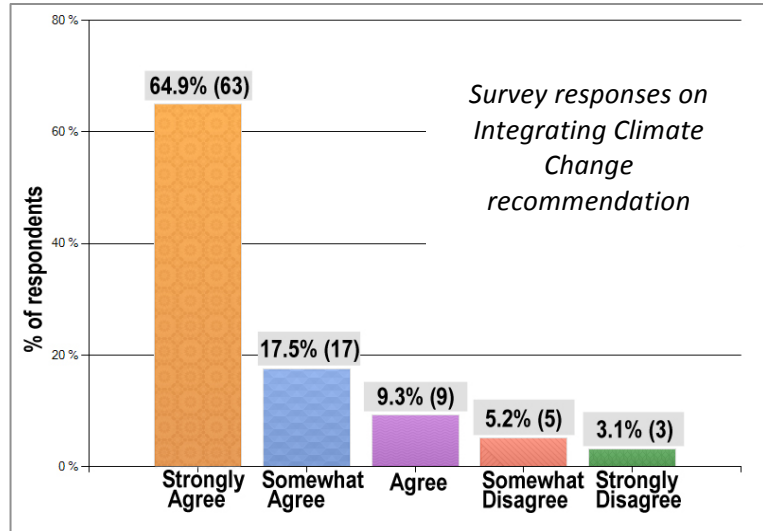
was linked to comments that this recommendation should be more strongly worded to require that input from Basin residents be incorporated in dam operations decisions, not just “considered.” One comment stated support for this approach rather than the proposed dredging of Grohman Narrows. One individual wondered if this recommendation was feasible.

The KNC asked the LGC to strengthen this recommendation to state that Libby Dam be managed in the same way as the other three Treaty dams: through joint Canada-U.S. optimization for hydro-power, flood control and ecosystem function. Two respondents suggested a separate agreement for Libby Dam operations, and one suggested Libby Dam be operated under the International Joint Commission, rather than the Treaty. Another individual felt this was the purview of the provincial, not local government.

Integrate Climate Change

Ninety per cent of respondents agree with this recommendation. There were many comments, with a diversity of views. Four comments enthusiastically supported this recommendation, with one noting that opposition can be expected. This recommendation was supported by the KNC.

Several comments focused on how climate change will likely increase the value of water, and the importance of water storage in BC, especially to alleviate projected droughts in the U.S. This leads to concerns that including climate change in Treaty discussions will benefit the U.S. and lessen BC’s negotiating position. There were several comments about the need for the U.S. to adopt water conservation practices before looking to BC to meet their needs.



Exactly how climate change would be integrated into Treaty discussions was questioned by several individuals. Two noted that climate conditions, including trends over time, are already built into Treaty dam operations, and one emphasized the need for continuing flexibility in the Treaty. One individual stated climate change is a provincial and federal problem.

An individual noted that increased water temperatures could be used as an excuse to give up on salmon restoration. Another supported more forceful language and requested research on water temperatures and its impact on fish.

Continued and Expanded Benefit-Sharing With the U.S.

This recommendation was largely agreed with—one comment suggested it should focus only on expanding benefits, and others emphasized the need to fairly balance mutual benefits across nations. The KNC supported this recommendation.

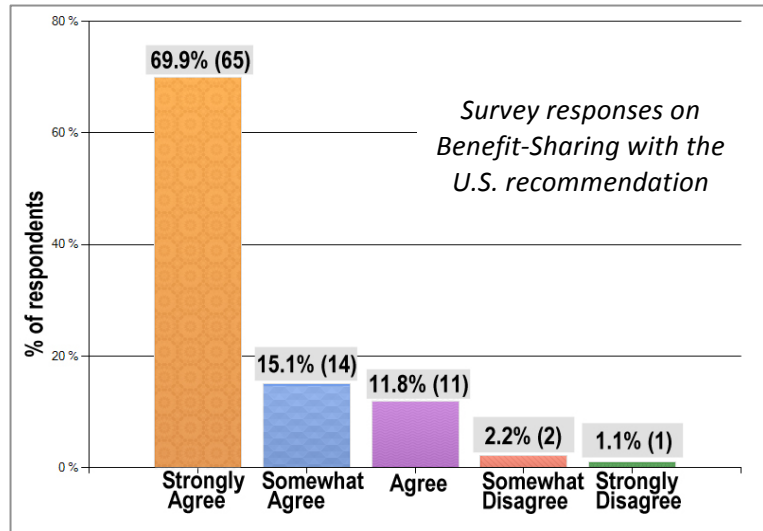
Several comments highlighted that any changes to the Treaty must benefit Canadians, given the impacts that occur in BC, with one highlighting the importance of

expanding benefits now, as well as in the future. One individual noted that in the future the Canadian Entitlement should not decline over time. Another comment recognized that Canadians will have to give something to the U.S., such as reduced costs, to secure improvements in the Treaty. This individual also noted the challenges in the U.S. to fairly distribute costs amongst the many stakeholders.

Many responses expressed an expectation that Canada—and specifically affected areas in the Basin—should receive expanded benefits compared to the past, particularly to reflect the growing value of water. Several suggested that these benefits should include stabilization of reservoir levels and enhanced ecosystems. One individual felt benefit-sharing should focus on long-term jobs and careers for young people, and another stated more needs to be done for Basin residents who lost their way of life when the dams and reservoirs were created.

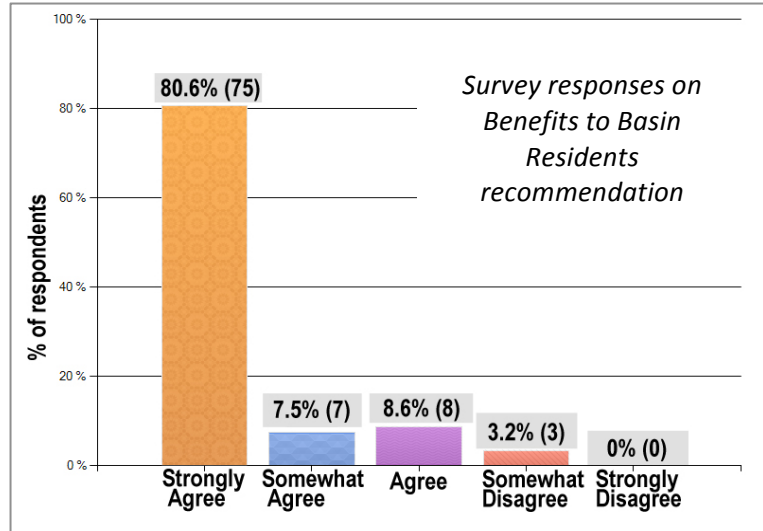
Three comments asked how to evaluate the benefits and impacts from dam operations. One recommended “full cost accounting” to assign monetary values to benefits other than power generation.

Two individuals focused on Kinbasket Reservoir. One noted that damage to roads during storms when reservoir levels are high is not repaired by BC Hydro, creating a cost to the area. Another questioned the fairness of the allocation of the current payments in lieu of taxes, suggesting that more funds need to go to impacted communities.



Fair Share of New or Improved Benefits to Basin Residents

Eighty per cent of survey respondents strongly agree with this recommendation and the KNC supported this recommendation. Two comments expressed the view that the existing agreement favours the U.S. and many comments stated that Basin residents do not currently receive an equitable share of benefits relative to impacts. One individual noted that residents who lost their way of life should be the ones who receive benefits, but they are now an aging and dwindling minority.



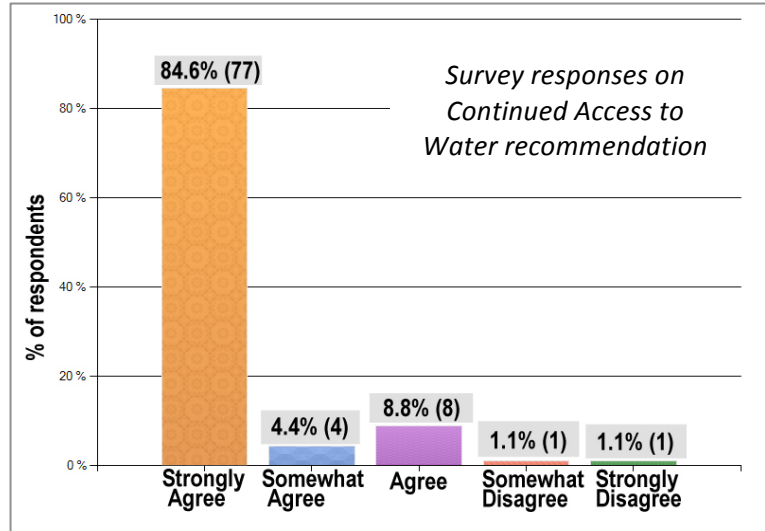
One suggestion pointed to the lack of benefits to fish and wildlife, advocating for more money being allocated to this interest. Two others suggested funding alone could not mitigate environmental impacts, advocating instead for reclamation of inundated habitat through adjustments in dam operations, as well as funds for mitigation of ecosystem impacts such as nutrient restoration programs, with potential benefits to other sustainable values. Another noted that refining dam operations would result in restoration of significant economic activities through tourism, some agriculture and reduced property damage.

How fair-sharing of benefits would be achieved was questioned by three individuals. One individual called this recommendation a “poorly thought-out motherhood statement.” Others called for quantification of benefits, with one suggesting full cost accounting for natural capital, and another recommending that the Committee identify the Basin’s fair share.

One individual noted that there is little or no understanding in the U.S. of the hardships the Treaty has caused Basin residents, and that they need to be informed.

Continued Access to Water

Ninety-eight per cent of survey respondents agree with this recommendation, with the majority indicating strong support for this existing Treaty provision. Comments emphasized the importance of both safe drinking water and water for ecosystems, with adequate regulation, licensing and monitoring. This recommendation was also supported by the KNC.



One comment focused on the impacts of climate change, with expected increases in water needs in

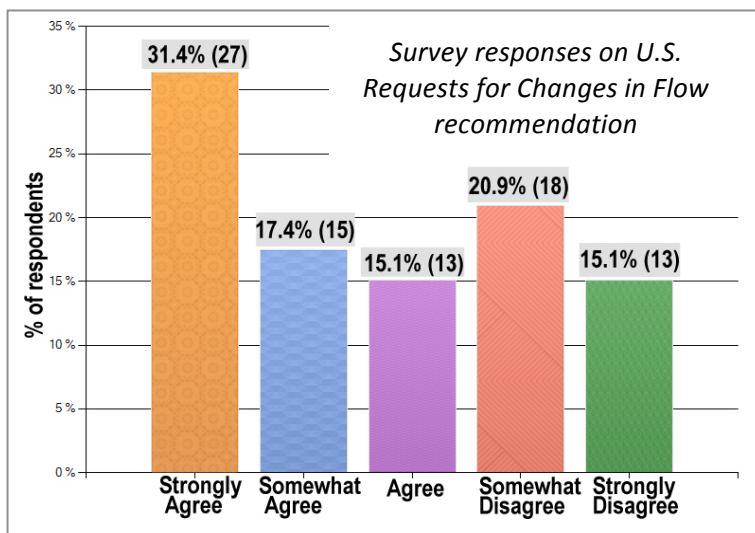
the U.S. as the climate warms, and the importance of ensuring adequate water access in Canada. Several comments called for the U.S. to implement water conservation principles, with restrictions to domestic uses for landscaping and for business developments, such as golf courses.

One individual did not see this as a priority because water use in Canada is low now and unlikely to change for a long time. Another asked whether the Treaty could be revised to stop all bulk water sales.

U.S. Requests for Changes in Flows

Only 63 per cent of survey respondents agree with this recommendation, with many providing comments. A review of the comments indicates that the title of this recommendation may have confused some respondents, resulting in the relatively low level of agreement. This recommendation was supported by the KNC, on the understanding that ‘Basin residents’ include First Nations.

Two responses stated that U.S. demands for water are likely to increase over time, as water is valuable



in the U.S. for power, recreation, ecology and scenic uses, to name a few. Many comments recognized that this request from the U.S. creates a negotiating opportunity for Canada, with advice that negotiations on this factor should result in benefits for both countries with adequate compensation for any impacts in Canada, and that it may create an opportunity to improve ecosystem conditions in the Basin.

Many comments stated that additional flows to the U.S. should not be agreed to at the expense of

Basin interests, including ecosystems and drinking water consumption. Some set limits on the uses of additional flows to the U.S., citing fisheries and transportation as acceptable uses, and expanding water-intensive agriculture as unacceptable. Several called on the U.S. to prove they are implementing water use plans with water conservation measures before further additional water is provided from Treaty dams in BC, with impacts in BC. One individual suggested that the use of any additional flows should not be allowed to be privatized in the U.S.

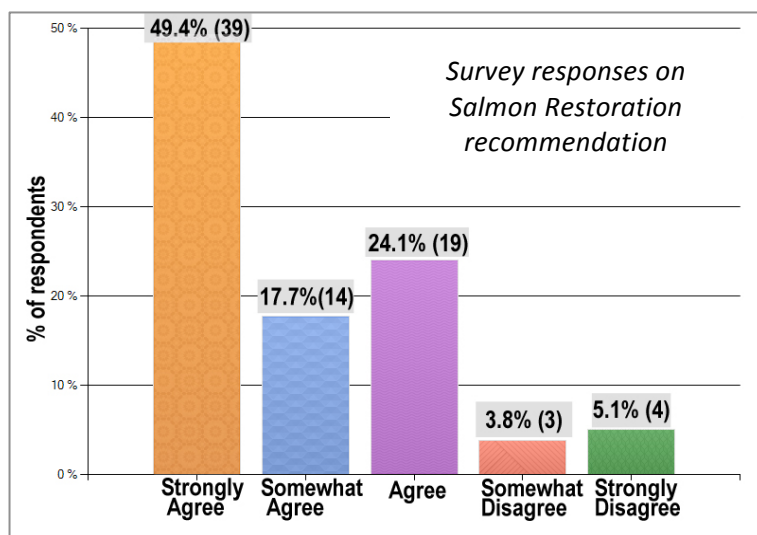
Many respondents recognized that water needs in the U.S. will vary year-to-year, as flood control needs vary. These respondents suggested the Treaty needs to be flexible to incorporate equitable sharing of water during dry years, as well as very wet years. One individual thought the current provision of flows in the summer and fall as a result of current Treaty operations should be discontinued.

The need for research and increased understanding of this recommendation was noted in several comments. The value of these additional flows to the U.S. and the impacts in the Basin needs to be determined and communicated to Basin residents. Residents need to be consulted, with their views carrying the most weight in any decisions. One individual did not think local views would be listened to.

Pursue Salmon Restoration

While 90 per cent of survey respondents agree with this recommendation, only 50 per cent strongly agree. Concerns were expressed in the comments about the feasibility of this recommendation and there were requests for more information, likely explaining this comparatively low level of strong agreement. This recommendation was supported, and much appreciated, by the KNC.

Many respondents wholeheartedly agree with this recommendation, citing cultural, food security, environmental and economic benefits through salmon restoration. A few survey respondents and meeting participants in Cranbrook, Nakusp and Castlegar chastised the Committee for being too “timid” in its recommendation. Many others qualified their support with the need to verify the feasibility of this recommendation, and offered support only if the U.S. addresses fish passage issues at Grand Coulee and Chief Joseph dams, at their own expense, to bring salmon to the border.



Several comments recognized that this is a long-term vision that will take time and careful planning to achieve, with incremental costs over time. Many recognized the complexity and difficulty of achieving this vision, listing fish passage, suitable habitats, dissolved nitrogen levels downstream from dam spillways and warmer waters as the climate changes, as challenges.

Many comments and input during November 2013 community meetings identify the need for research to evaluate the biological

feasibility of restoring salmon to their historic ranges in the Columbia River in BC, including the potential implications of climate change, as well as a thorough examination of the costs and benefits. This information should be reported to Basin residents for further discussion before any decisions are reached.

Two individuals do not think this is a Treaty issue, with one citing the BC Draft Recommendation on the Treaty as stating this is not a Treaty issue. Three comments do not agree with this recommendation, noting there are too many barriers, it is too costly, or the U.S. will get all the benefits from fishing in the lower Columbia River, and BC will bear the costs. Another individual suggested that resources would be better spent on restoring habitats for existing fish species in the Basin (i.e. protecting bull trout spawning streams along Arrow Lakes Reservoir, keeping invasive species out of the system, dredging to create cool water refuges for trout). One respondent requested fish passage up the Kootenay River between Nelson and the Columbia River⁵.

Suggested Additional Recommendations

- **Power generation**

Three individuals commented on the need to reconsider BC's reliance on hydroelectric power, with one emphasizing that hydroelectric power is not free of greenhouse gas emissions as flooding vegetated areas releases greenhouse gases. One called for a comprehensive renewable energy policy, with increased development of tidal energy options.

- **Aquatic Invasive Species**

Two survey respondents and a participant at the Nakusp meeting emphasized the need to address invasive aquatic species. The individual focused on zebra and quagga mussels, stating that this issue should be brought forward to the Province as a potential issue when negotiating with the U.S., citing a report describing potential economic impacts⁶ on power generation, as well as environmental and ecosystem impacts.

⁵ Historically salmon spawned in the Slokan River but passage further upstream in Kootenay River was blocked by Bonnington Falls.

⁶ Preliminary Damage Estimates for Selected Invasive Fauna in BC (2013) www.for.gov.bc.ca/hra/invasivespecies/

B. Domestic Issues

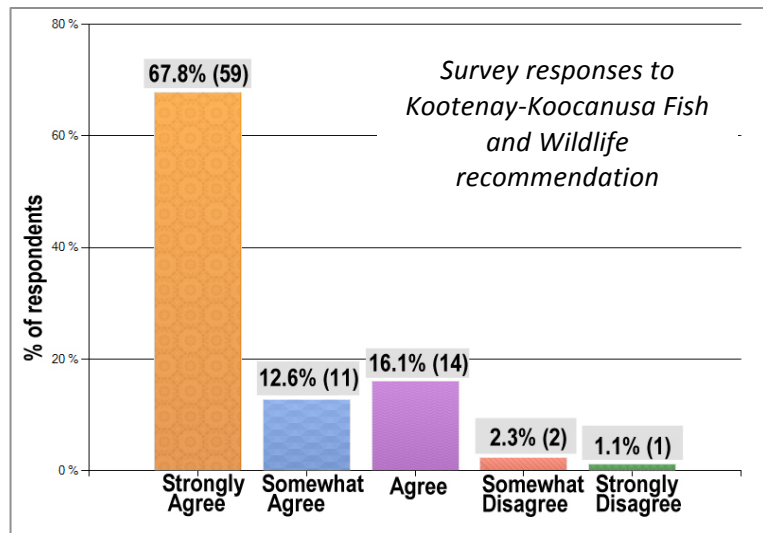
More than 95 per cent of respondents agree with each of the recommendations the Committee made to address domestic issues raised by Basin residents. This illustrates the importance of these issues to residents and their support for the solutions presented. The KNC also supported each of these recommendations.

Kootenay-Koocanusa Fish and Wildlife Restoration and Conservation

All of the comments supported this recommendation, highlighting the importance of protecting and restoring fish and wildlife values in this area with long-term funding. One respondent asked that climate change effects be factored into decisions. Two individuals emphasized the need to address grassland restoration. One stated that funds must be allocated to actions, as well as studies. Another commented that the federal Department of Fisheries and Oceans, and the Province should have led the creation of the East Kootenay-Koocanusa Fish and Wildlife Program.

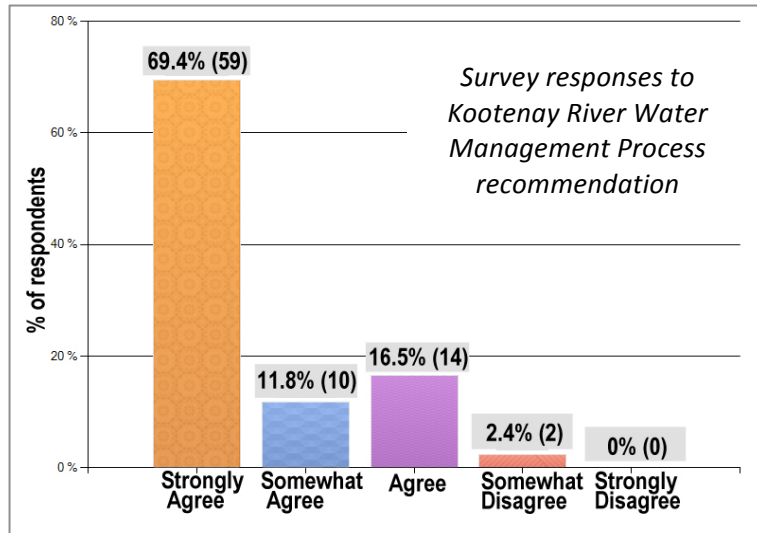
Two comments suggested this type of program should be Basin-wide, with one linking it to Water Use Plans. One individual thought Mica Dam should have its own fish and wildlife program as well, as not enough is being done to offset the impacts of the Mica Dam and Kinsbasket Reservoir.

One individual supported the program, but saw it as benefiting the U.S. Another commented that the Bonneville Power Authority, one of two U.S. Entities responsible for implementing the Treaty should also fund the program.



A Water Management Process for the Kootenay River

Most comments were supportive of this recommendation. Many issues were raised that need to be addressed including: First Nations' cultural conservation around Kootenay Lake; ensuring a future for the Creston Valley Wildlife Management Area; impacts of annual water level fluctuations on Kootenay Lake's ecological values; a desire that the Kootenay River be free-flowing as far as possible; and a lack of knowledge about the impacts of water regulation on the Kootenay River system. Two comments indicated a lack of knowledge about the status of water regulation on Kootenay Lake through the International Joint Commission and water licences. One individual noted the need to include community involvement in any water management process for Kootenay River.



The KNC supported this recommendation, but see co-management of Libby Dam and Koocanusa Reservoir by Canada and the U.S. with co-equal emphasis on flood control, power generation and ecosystems – as the KNC advocates for other Treaty dams – as a more potent approach to address their concerns and values related to the Kootenay River system.

One survey response recommended implementing a Water Use Plan to better regulate Kootenay River flows, rather than dredging at Grohman

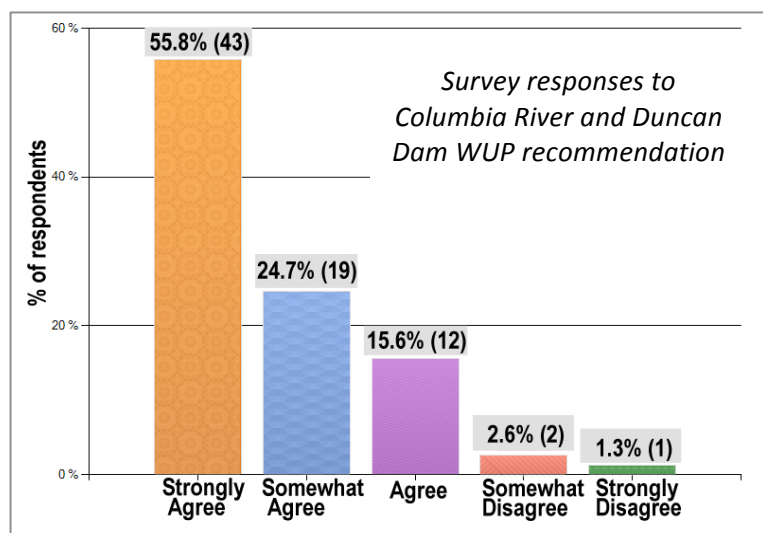
Narrows. Another did not support any further dredging at Grohman Narrows. Two comments called for Basin-wide water management, suggesting a Water Use Plan for the entire region or a unified watershed manager.

Two individuals suggested this is beyond the scope of the Treaty review, with one specifically citing the impacts of high water levels on lakeside property values as outside the Treaty process.

Implementation of Columbia and Duncan Water Use Plans (WUPs)

Although almost all survey responses agree with this recommendation at some level, only 56 per cent strongly agree. The comments reveal a mix of views and knowledge about Water Use Plans and how they should be implemented.

One individual stated that the WUP recommendations are being implemented. Another noted that in their view, the existing Water Use Plans (for Duncan Dam and the Columbia River) are not very effective and need more hard constraints or enforcement mechanisms. This individual also noted that environmental laws are deficient, creating the need for improved, modernized WUPs. The need for more hard constraints was supported by another individual. One comment supported more habitat restoration and fewer studies and reports. Another comment stated that the Kinbasket Reservoir portion of the Columbia Water Use Plan should be re-considered before 2017, as many issues have changed with the implementation of the Non-Treaty



Storage Agreement, including more frequent higher water levels. Two responses noted the Columbia River WUP Consultative Committee did sign off on the WUP, although the draft recommendations indicate this did not occur.

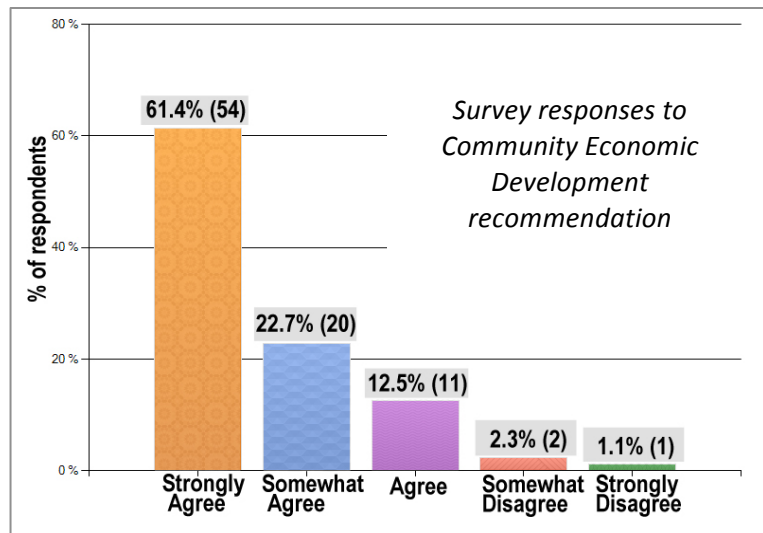
Three responses stated they did not know enough to comment on this recommendation, and one stated that each WUP is different and some of the planned activities should be implemented at this point, while some likely, should not.

Several responses indicate a broader watershed management process is needed, with a unified watershed manager, that includes footprint impacts at all dams/reservoirs, not just BC Hydro facilities, and that spans the entire Columbia River watershed, including across the border when necessary.

Community Economic Development

Overall, there was a high level of support for this recommendation. Several comments emphasized the importance of focusing community economic development on rural affected areas, where economic development is more challenging, not major towns. One individual noted that for some Basin residents, the Treaty created positive economic development opportunities.

The KNC supported this recommendation and asked local governments to work with First Nations when creating community economic development plans, so First Nations can support and participate in the implementation of these plans. They also look to local governments to ensure that legal and regulatory requirements to protect environmental and cultural heritage values will be adhered to during economic development.



Two individuals and one group noted that ecosystem restoration can be a powerful economic development approach, creating meaningful jobs and revitalizing tourism in particular. One individual noted the need for an improvement plan for the Kinbasket Reservoir area to restore ecosystems and identify public opportunities for economic development. One individual emphasized that economic development must be in harmony with ecosystem health.

Several specific actions were suggested, including: improved power reliability along the Duncan and Arrow Lakes Reservoirs, particularly in recognition of the impacts from the reservoirs; provincial leadership on geothermal development; building a bridge connecting Fauquier and Edgewood; and helping young families stay in the Basin. Two studies were recommended to better understand economic development opportunities including: research into the economic value of sport fishing and

potential impacts from changes to dam and reservoir operations; and assessment of the real estate and tourism contributions to boating and lakeshore facilities, and trends in these contributions.

Two responses called for full cost accounting of losses to the agriculture sector and a plan to re-invigorate agriculture in the Basin. Another suggested policies to encourage farming in the Basin. One response did not support the recommended study of the Treaty impacts on the agriculture sector. At the Jaffray community meeting this study was supported, with an update on actions requested.

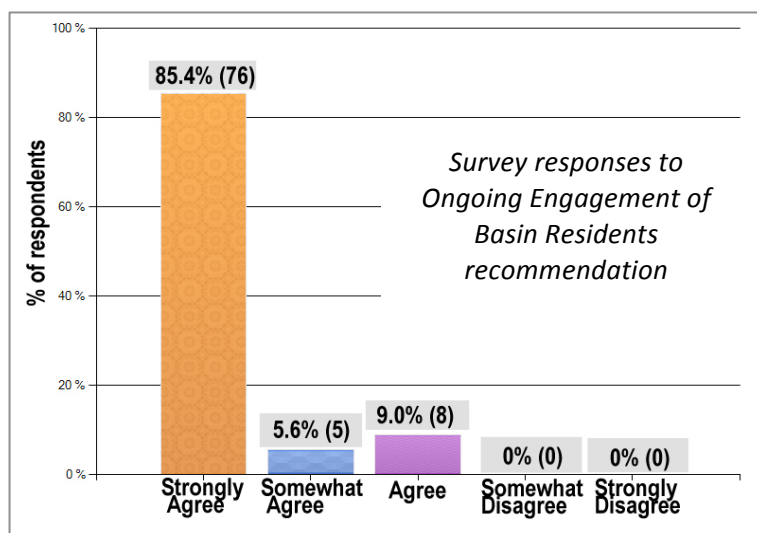
The role of CBT in community economic development was commented on in two responses. One suggested CBT should adjust the funding to affected areas. Another did not support CBT involvement, suggesting local organizations apart from the Province should take leadership.

One individual felt economic development was inevitable because populations are generally growing, however, development must be done in a sustainable manner. Two responses did not hold out much hope for economic development because the Basin does not directly receive any of the Canadian Entitlement; there are many impediments to agriculture and mining; and young people are leaving the Basin in search of work. Another individual stated that the “Kootenays are raw” and economic development should be kept to a minimum.

Meaningful Ongoing Engagement of Basin Residents

Eighty-five per cent of survey respondents strongly agree with this recommendation—one of the most strongly supported Committee recommendations. Suggestions were made for frequent, ongoing updates on discussions or negotiations regarding the Treaty and domestic issues. One individual suggested more participation is needed, and another suggested another technical session, as face-to-face is the best and most meaningful way to be engaged.

One individual noted that one disadvantage of the Local Governments’ Committee representing Basin residents is that local elected officials can change every three years, losing the learning and continuity of the group. It was suggested that a larger Basin-wide advisory body be created that has continuity to interface with the elected officials over time. Another individual stated this is mainly the job of local MLAs and MPs.



Two topics were identified where more information is needed to support effective engagement: further clarification of the difference in benefits between the U.S. and Canada; and a greater profile of Kinbasket Reservoir.

Suggested Additional Domestic Recommendations

- **Mitigate and/or Compensation for Negative Impacts in the BC Basin**

Many respondents made comments about the scale of impacts that have been shouldered by residents of the Basin, with few of the benefits. One group requested the Committee create a separate recommendation on the need for mitigation/compensation of current and any future impacts. They suggested the recent dam impacts study prepared by the Fish and Wildlife Compensation Program – Columbia be used as a foundation for assessing impacts. During the Castlegar community meeting, concern was expressed that there has not been adequate consideration of impacted people, stating that what is being done now is “too little too late.”

- **Columbia Fish and Wildlife Compensation Program**

Participants at the Nakusp community meeting, three individuals and one group stated that the funds allocated to the Columbia Fish and Wildlife Compensation Program- Columbia are inadequate, and the allocation process does not address the highest priority impacts. Several comments questioned whether the program is, or should be, focused on footprint impacts only, with one individual commenting, that few of the projects implemented to-date directly address footprint impacts, pointing out that the mandate of the FWCP misses the mark, and another expressing frustration with the current interpretation of ‘footprint’ impacts. The group called for a transboundary ecosystem restoration compensation plan.

Specific concerns were expressed about the lack of funding for projects in Kinbasket Reservoir and the Lower Arrow Lakes. One comment suggested that a simple means for allocating more funds to the FWCP would be to transfer the costs of the nutrient restoration program on Arrow Lakes Reservoir to BC Hydro's Water License Requirements Program, as the need to fertilize the lakes is most certainly an operational impact, which would free upwards of \$2 million dollars from the FWCP budget to pursue additional habitat enhancement projects.

Another individual questioned the merits of calling for more funds for habitat enhancement, when changes to hydro operations are needed to improve ecosystem function in Basin watersheds.

- **Kinbasket Reservoir**

Several survey responses pointed to the need for increased allocation of funds from the Fish and Wildlife Compensation Program - Columbia to the Kinbasket Reservoir, with one suggesting that a separate program should be created, as has been done for the East Kootenay-Koocanusa area. Two responses cited the need for an updated geo-tech survey/report to address the current concerns of the Provincial government about the potential that a tsunami type wave following a landslide might impact development along Kinbasket Reservoir. This concern has stopped recreation/tourism development, which was promised as one of the potential benefits before Mica Dam was built. If an updated study proves that recreation/tourism development cannot occur, one respondent stated that this loss should be compensated. One respondent also suggested that public land should be made available for lease lots and the road to Bush Harbour should be maintained by the Province.

- **Arrow Lakes Reservoir**

Several survey respondents and two submissions strongly supported managing Arrow Lakes Reservoir at a stable lower level, with some fluctuation, similar to natural seasonal flows. The following benefits from this approach are cited: increased riparian area with more bird, wildlife and wetland habitats, reduced dust storms following revegetation, and increased fish spawning areas with improved access. One survey comment recommended that Hugh Keenleyside Dam be removed completely. One submission recommended beginning to experiment with modified dam operations for Arrow Lakes Reservoir now, suggesting this could provide valuable information and potential solutions for the future.

- **Duncan Dam**

Removing Duncan Dam to restore natural flows was recommended in one survey response and this was discussed by the Treaty Review Team's Sounding Board.

Continued Role in Treaty-Related Decisions

During the Golden and Castlegar community meetings concerns were raised about how the Committee's recommendations would be turned into action, with particular attention on solutions to domestic issues. The roles of residents, the Committee and the Federal Government were questioned at the Castlegar meeting. One individual encouraged the Committee to make its recommendations more concrete, with less use of terms such as "should" and "will explore," and another suggested that a priority for the Committee in 2014 should be to pursue solutions to domestic issues with the Province. The Committee was asked to consider how it will continue its work through the local government elections coming up in 2014, with the potential for changes in membership. There were also questions about the implications of the lack of clearly defined timelines or deadlines, which made one survey respondent uncomfortable.

One individual at the Nakusp meeting stated that the consultation process has been completely inadequate in Revelstoke. Several survey responses thanked and congratulated the Committee for its work to-date with one respondent encouraging the Committee to keep residents informed and involved going forward.

Columbia River Treaty: Draft Recommendations

October 2013

Provide Feedback on Draft Recommendations

The CRT Local Governments' Committee has prepared these Draft Recommendations in response to the Columbia River Treaty-related interests and issues raised by Columbia River Basin residents in Canada. These Draft Recommendations are based on the currently-available information. The Committee wants your input on these Draft Recommendations before they are finalized in December 2013 and provided to both the provincial and federal governments.

Please provide your feedback by November 15, 2013 by completing an online feedback form available at www.cbt.org/lgcommittee, mailing a feedback form to the Committee, or attending a workshop (see www.gov.bc.ca/columbiarivertreaty/events/2013-11). Download the online and mail-in feedback forms at www.cbt.org/lgcommittee.

Mail your completed feedback form and any other comments in writing to: CRT Local Governments' Committee, Box 2029, Revelstoke, BC V0E 2S0.

The CRT Local Governments' Committee will consider all input and post its final recommendations at www.cbt.org/lgcommittee.

Background

The Columbia River Treaty (CRT) was ratified by Canada and the United States (U.S.) in 1964, resulting in the construction of three dams in Canada—Mica Dam north of Revelstoke; Hugh Keenleyside Dam near Castlegar; and Duncan Dam north of Kaslo—and Libby Dam near Libby, Montana. Since 1964 the CRT has provided benefits for the Pacific Northwest region in the U.S. and in BC. However, here in the Canadian portion of the Columbia River Basin (the Basin)—the area that was most impacted by the CRT—substantial sacrifices were made by residents during the creation of the dams and reservoirs, and impacts continue as a result of hydro operations.

Beginning in 2024, either the U.S. or Canada can terminate substantial portions of the CRT, with at least 10 years' prior notice. Canada—via the BC Provincial Government—and the U.S. are both conducting reviews to consider whether to continue, amend or terminate the CRT.

Local governments within the Basin have formed the BC Columbia River Treaty Local Governments' Committee (the Committee) to actively and meaningfully engage in decisions around the future of the CRT. Through the Committee, with support from Columbia Basin Trust (CBT), Basin local governments are working together to seek refinements to the CRT and to address existing domestic issues to improve the quality of life for Basin residents.



Respecting our History

The signing of the CRT with the U.S. was a major historical milestone for the Province of BC. However, this agreement was signed without consulting Basin residents or First Nations, and construction of the CRT-related dams and the associated reservoirs had massive social, economic and environmental impacts in this region, leaving deep wounds in Basin communities. Our communities and First Nations continue to make substantial sacrifices for the economic benefits that are enjoyed by the entire Province and much of the U.S. Pacific Northwest.

In our communities, approximately 2,300 people were displaced from their homes, often without adequate or fair compensation, and more than a dozen small communities lost their infrastructure, public spaces and way of life. Many of these losses were a result of creating the Arrow Lakes and Koochanusa Reservoirs. The industrial reservoirs created following the construction of the CRT-related dams, including Revelstoke Dam, inundated approximately 120,000 hectares (300,000 acres/470 square miles), including over 70,000 hectares (173,000 acres/270 square miles) of lakes, rivers, wetlands, ponds, streams and riparian areas, with related habitats for fish, wildlife, waterfowl, birds and other species being affected. First Nations and

our communities lost access to unspoiled wilderness, with forests, wildlife and fish, and related recreation experiences. Economic development in these areas has been constrained by the loss of valuable low-elevation lands and lack of efficient transportation.

Some Basin communities feel that commitments that were made about the future development of infrastructure and economic opportunities were not delivered by the Province of BC. Some residents feel measures to address the social, environmental and economic impacts have not been adequate. These issues remain sources of hurt, anger and mistrust today.

While we remember and recognize this past history, Basin residents and this Committee are looking to the future. We see the CRT Review as an opportunity to work collectively with the Province, First Nations, BC Hydro, other hydro-electric facility operators and the U.S. Entities to improve our quality of life in the Basin and retain the benefits of a world-class treaty on the Columbia River.

Draft Recommendations

The following draft recommendations are based on the interests and issues that Basin residents have said are important to them, and our understanding of the currently-available information.

A. International Treaty

The current focus of the BC and U.S. CRT Reviews is to decide whether BC or the U.S. Sovereign Review Team—which includes the five States the Columbia River runs through, representatives of U.S. tribal nations and several federal agencies—will recommend to the Canadian or U.S. governments respectively, that notice should be given to terminate the CRT in 2024. Regardless of whether either party recommends that the CRT be terminated, there are significant issues to be resolved regarding hydro system operations that will take some time for Canada and the U.S. to explore and to reach agreement on. Regardless of which CRT option is chosen, during any discussions and decisions with the U.S. regarding the CRT, the Province of BC, the Government of Canada and BC Hydro as the Canadian Entity for the CRT, must address the following priorities for Basin communities, listed here with no priority ranking intended:

- **Local Government Status in International Discussions:** To avoid repeating the unfortunate legacy that resulted in Basin residents not being consulted before the CRT was signed, we strongly recommend, in addition to ongoing engagement of Basin residents, that a representative of local governments from within the Canadian Columbia Basin should hold observer status at all international discussions regarding the CRT. In our view, the Province would benefit greatly by bringing the knowledge of Basin residents into these discussions.
- **No Further Negative Impacts to the Basin:** We caution the Province and Canada against considering CRT options or hydrosystem operations that result in further negative impacts in the Basin—our communities and residents cannot accept more negative impacts. If additional negative impacts to the Basin do result from these processes, beyond current operations, a clear compensation model that is acceptable to Basin residents must be created to address these impacts.
- **Continued Engagement with Basin Residents:** The interests of Basin residents must be considered by the Province of BC and Canada in the ongoing discussions and decisions related to the CRT. New information must be shared promptly with Basin residents and there must be opportunities for residents to fully understand any potential benefits and impacts, and to provide meaningful input to any decisions.
- **Protect Columbia Basin Trust and its Power Assets:** Columbia Basin Trust contributes significantly to the economic, social and environmental well-being of the Basin. Any future CRT-related decisions must ensure that CBT and CBT-owned power projects are “saved whole” and are not negatively impacted.
- **Expand the Focus of the CRT to Include Ecosystems and Other Interests:** The Committee urges the Province to seek refinements to the CRT and/or the supporting documents that provide for operations that benefit a broad range of interests in this region and in the U.S. In particular, Basin residents are supportive of operational refinements to meet ecosystem needs.
- **Flood Risk Management:** Under the CRT, in 2024 the existing Assured Annual Flood Control Agreement expires and flood risk management requirements shift to a different approach described as “Called Upon.” Canada and the U.S. have not yet reached agreement on how this type of flood management will be implemented. In the Committee’s view, continuing the existing carefully-coordinated annual flood management approach has the greatest potential to meet Basin interests in flood risk management, as well as the greatest mutual benefit for the U.S. We urge the



Province to seek an agreement for a new flood risk management approach through the CRT that maximizes benefits and minimizes negative impacts to the interests of Basin residents.

- **Canadian Input to Libby Dam Operations:**

The Province must seek to create a formal mechanism to ensure Canadian interests are meaningfully considered in operational decisions at Libby Dam, as U.S. interests are accounted for in the operation of the Canadian CRT dams. As well, a compensation mechanism is needed to address the negative impacts in Canada from Libby operations such as reductions in fish and wildlife habitat, floating debris, dust storms, economic damage to property and infrastructure from fluctuating water levels including damage to dikes in the Creston area.

- **Integrate Climate Change:** We strongly support the continued incorporation of climate change-related information—particularly projected increases in extreme events and changes in stream flows—into international hydro system planning and operations. Any CRT negotiations must include this critical factor.
- **Continued and Expanded Benefit-sharing with the U.S.:** We believe the Downstream Power Benefits provision of the CRT should continue to reflect the full value of incremental

power generation at U.S. facilities as a result of Canadian storage. In addition, we believe the U.S. receives additional incremental benefits from Canadian water storage in the form of tourism, recreation, ecosystems, and potentially agriculture, which were not accounted for in the original negotiation of the CRT and should be accounted for now.

- **Fair Share of New or Improved Benefits to Basin Residents:** If the CRT negotiations result in improvements to existing benefit-sharing agreements with the U.S., or new agreements, it is essential that the Basin receives an equitable share of these benefits to address the ongoing negative impacts of reservoir operations in this region.
- **Continued Access to Water:** Any changes to the CRT must maintain the existing CRT rights, which permit Canadian interests to withdraw water from the Columbia River system for “domestic uses,” including irrigation, industrial and municipal use.
- **U.S. Requests for Changes in Flows:** Changing needs for water flows in the U.S. may lead to negotiations around an altered operational regime at Canadian CRT reservoirs to meet these U.S. needs. If CRT negotiations include changes in flows for U.S. needs, we expect that the

Province will promptly involve Basin residents in these discussions and any decisions, and ensure impacts in Canada are both identified and adequately compensated.

- **Pursue Salmon Restoration:** First Nations and other Basin residents are passionate about returning salmon to the Columbia River in Canada. We strongly support agencies and First Nations/Tribes on both sides of the border exploring the technical and financial feasibility of returning salmon to the Canadian portion of the Columbia River.

B. Domestic Issues

Many of the concerns we have heard from Basin residents relate to the ongoing operations of the dams and reservoirs in the region. We invite the Province and BC Hydro to work collaboratively with local governments, CBT and others to identify and implement practical, effective solutions to these issues in a timely manner.

- **Kootenay-Koocanusa Fish and Wildlife Restoration and Conservation:** Koocanusa Reservoir was created by the construction of Libby Dam in the U.S. B.C. does not have jurisdiction over this dam and a fish and wildlife compensation program has not been established to address the historical footprint impacts of the Koocanusa Reservoir in Canada. Compensation programs exist for the Canadian CRT dams in the rest of the Columbia River system. In March 2013, CBT approved one-time funding of \$3 million to establish a Kootenay-Koocanusa Fish and Wildlife Program in partnership with the BC Ministry of Environment and BC Hydro. The Committee looks to the Province of BC to ensure that adequate funding is in place for an ongoing annual program to fully address the footprint impacts in Canada from Libby Dam.

- **A Water Management Process for the Kootenay River:** Residents with interests in the Kootenay River system in Canada have told us they have no clear way of understanding if and how their interests are taken into account in operational decisions about water management in this system. The Committee expects the Province of BC and all Canadian operators on the Kootenay River system to work together to collectively initiate a process similar to a water use plan for the Kootenay River system to better understand how hydro operations benefit or impact the full range of interests, and to address these impacts where feasible.

- **Implementation of the Columbia and Duncan Water Use Plans:** In BC, the purpose of Water Use Plans is to understand public values and to develop a preferred operating strategy through a multi-stakeholder consultative process. Water Use Plans (WUPs) were approved in 2007 for the dams along the Columbia River, and Duncan Dam. The Columbia River Water Use Plan Consultative Committee did not sign off on this plan because it did not fully address the issues and concerns they had raised.

Basin residents have the following concerns about the implementation of these WUPs: delays in implementation, difficulty accessing information about implementation, and lack of ongoing involvement in plan implementation and decisions. There are also challenges to accessing reservoirs in some locations due to inadequate boat ramps and poorly maintained roads. These issues must be more effectively dealt with under the WUP process.

Effective implementation of WUPs is one of the primary opportunities for the Province and BC Hydro to build trust and goodwill with Basin communities following the legacy of negative

impacts from the CRT. The Committee asks the Province to direct BC Hydro to proactively address these concerns regarding WUP implementation to begin to build a foundation of trust and goodwill.

- **Community Economic Development:** The creation of the CRT reservoirs impacted local economies through loss of settlement lands, fertile agriculture lands, productive forests and recreation/tourism opportunities, along with related loss of potential local tax revenues. Economic development is further hampered on an ongoing basis by dust storms, navigation safety hazards, erosion; expensive roads along the edges of reservoirs, ferries rather than fixed links and unsightly mudflats. The communities most impacted by these conditions will continue to work with CBT to identify and implement feasible economic opportunities. However, the Committee expects the provincial and federal governments to expedite assistance and necessary approvals for feasible community economic development initiatives with these communities, recognizing the sacrifices they have made for the benefits that are enjoyed by the Province and the U.S.

With regard to the fertile agriculture lands that were flooded by the Arrow Lakes and Koochanusa Reservoirs, the Committee has not been able to verify the CRT impacts on the agriculture sector from the available information. We request that the Province complete a study to document the impacts to agriculture in these affected areas to evaluate whether some form of agricultural mitigation or compensation is warranted.

- **Meaningful Ongoing Engagement of Basin Residents:** Decisions about the operation of hydro facilities in the Basin impact many Basin residents on a day-to-day basis. Many residents have told us they want to know more about the

system and these decisions, and to be involved in these decisions on an ongoing basis. The Committee urges the Province to direct BC Hydro to establish some form of long-term engagement with Basin residents that supports meaningful participation in decisions about hydro operations. To be credible, effective and meaningful, the approach must be transparent, equitable across the Basin, skillfully-facilitated and adequately resourced. The Committee is available to provide advice on this essential aspect of successful hydro facility operations in the Basin.

Continued Role in CRT-Related Decisions

Local governments across the Basin are committed to continuing to advise the Province on CRT-related decisions, and to work with the Province and others to pursue solutions to domestic issues identified by Basin residents. Swift, proactive and thoughtful response to these recommendations is one of the primary opportunities for the Province, BC Hydro and other hydroelectric facility operators to build trust and goodwill with Basin communities as we move forward together to refine the CRT and address outstanding issues.

By working together, within the Basin, with the Province, and internationally, with all governments, hydroelectric facility operators, interest groups and residents, we believe it is possible to refine the CRT and related documents to enhance this already world-class agreement, and to address the existing domestic issues to improve the quality of life for Basin residents. We believe this can be done while expanding the benefits to others. As local governments we plan to continue to work together to achieve this **vision.**