

Testimony of William C. Dobbins, General Manager  
Public Utility District No. 1 of Douglas County, Washington  
May 10, 2007

H.R. 523, the “Douglas County, Washington, PUD Conveyance Act”  
Before the Subcommittee on National Parks, Forests and Public Lands of the House  
Natural Resources Committee

**Introduction:**

Douglas County PUD appreciates the opportunity to provide testimony on H.R. 523. My name is Bill Dobbins. I have worked for Douglas County PUD since 1987 and have served as General Manager since 1996. In my time at Douglas County PUD I have been involved in numerous resource activities including development of the Wells Project Habitat Conservation Plan (HCP) and the Colville Tribes Land Settlement.

Douglas County PUD is a small electric utility serving approximately 17,500 electric customers in rural Douglas County located near the center of Washington State. Douglas County PUD is governed by a three-member board of locally elected Commissioners who serve in their non-partisan positions for six-year terms.

The Wells Hydroelectric Project is owned and operated by Douglas County PUD. The Wells Project has an installed nameplate capacity of 774.3 megawatts with a maximum generating capability of 840 megawatts. This hydroelectric generating project on the Columbia River is a hydrocombine structure that lends itself to the most efficient juvenile fish passage on the mainstem Columbia River. The Wells Project license expires in 2012. Douglas County PUD formally began the relicensing process under the Integrated Licensing Process (ILP) by filing its Preliminary Application Document (PAD) with the FERC on December 1, 2006. Prior to filing the PAD, Douglas County PUD engaged in a rigorous two-year outreach process with the local towns and counties, the state and federal resource agencies and the local Indian tribes.

H.R. 523 will authorize the Bureau of Land Management (BLM) to sell, at fair market value plus transaction costs, specified lands associated with the Wells Hydroelectric Project and amounting to an approximate total of 622 acres, consisting of 10 small tracts that should be part of the Wells Project and one larger adjacent parcel that was added by the BLM (Exhibit 1, BLM map). Most of the property is partially under water and includes extremely steep hillside (Exhibit 2, Typical Tract). One parcel is completely submerged (Exhibit 3, Submerged Tract). This sale will result in nearly all of the shore lands associated with the Wells Hydroelectric Project being owned and protected by Douglas County PUD with the proceeds from the sale being used by the BLM to directly meet its goals related to consolidation of its holdings. We thank the committee for its support of this bill last year and urge your support of H.R. 523.

This testimony has three purposes:

1. To describe Douglas County PUD’s intentions with regard to management of these lands and to tell you why it is in the public interest.

2. To address concerns.
3. To urge your support for H.R. 523.

### **Reservoir Land Management:**

From the beginning of the Wells Project in the early 1960's, Douglas County PUD made the decision to own as much of the land surrounding the Wells Reservoir as was needed to provide a buffer between the reservoir and other landowners. This decision was made because it was the best way for Douglas County PUD to protect against erosion onto private lands, to allow public access to the reservoir shore lands and to protect wildlife habitat on those lands. Many

In the early 1990's encroachments on Douglas County PUD land were discovered. This discovery initiated an involved process of resurveying the entire Wells Project reservoir. The goal of the resurvey project was to correct any property ownership discrepancies, purchase additional property in areas where erosion had occurred, eliminate any encroachments and prevent future encroachments. Douglas County PUD also began bi-weekly patrols of the reservoir to detect any sign of encroachment or habitat degradation.

In 1993, Douglas County PUD adopted a Land Use Policy for all Douglas County PUD owned lands and land rights. This policy provides guidance for land use management decisions, with the following goals:

- sustaining the existing natural ecosystems,
- developing only those recreation facilities that will not interfere with the preservation of natural ecosystems,
- protecting historic, cultural and archeologically significant sites, and
- allowing public access, where practicable, to waters and lands of the Wells Project.

The Wells Project FERC license allows Douglas County PUD to issue permits for use of project land consistent with the Federal Power Act and the Douglas County PUD's Land Use Policy. Permits are only considered after the applicant has received approval for all other required permits (e.g. Hydraulic Permit, Shoreline Development Permit, Corps of Engineers 404 Permit, 401 Water Quality Certification, Section 10, etc).

The Wells Project Habitat Conservation Plan (HCP), approved by the Federal Energy Regulatory Commission June 21, 2004, requires that when making land use or related permit decisions on Douglas County PUD owned lands that affect reservoir habitat, Douglas County PUD shall consider the cumulative impact effects in order to meet the conservation objectives of the HCP, the requirements of the FERC license and other applicable laws and regulations. Douglas County PUD is required to notify and consider comments from the signatories to the HCP regarding any land use permit application. The signatories include the National Marine Fisheries Service, the U.S. Fish and Wildlife Service, the Washington Department of Fish and Wildlife, the Confederated Tribes of the Colville Reservation and the Yakama Indian Nation.

In the course of the resurvey project, Douglas County PUD discovered some parcels of land, including the BLM land, which it needed to purchase to restore the appropriate buffer between the reservoir and private property. In the case of the privately held parcels, Douglas County PUD purchased only enough land to re-establish the buffer. Larger parcels were divided to accomplish this purpose, that is, to acquire the strip of land along the reservoir that, from an engineering standpoint, was needed as a buffer. The BLM indicated no willingness to divide the parcels that it owned. The BLM indicated that the only way it could transfer the land was if Douglas PUD would get involved in a three-way land exchange. One such land exchange was completed. It was difficult and time consuming. Douglas County PUD started working with BLM on this issue in 1998 and acquired two parcels through this exchange in 2005. It became apparent that it would take many years to accomplish the goal of managing all of the land around the reservoir in a consistent fashion. BLM staff suggested that the most efficient way to transfer the land was if the Congress directly authorized BLM to sell it to Douglas County PUD. This was the reason that our Congressman, Doc Hastings, introduced H.R. 4789, which was passed by the House of Representatives last year. Time ran out for the bill to be considered by the Senate. H.R. 523 is the same as the bill approved last year.

After Douglas County PUD purchases this land from the BLM, two segments that are currently state highway will be divided out and dedicated to the State of Washington for that purpose. The balance will be managed in conformance with Douglas County PUD's Land Use Policy and the Wells Project FERC license, which will result in that land being maintained in its natural state and monitored on a regular basis. The land will be open to the public.

This is a simple transfer of public land from one government agency to another. The resource goals of the two agencies are uniquely similar. The new owner, Douglas County PUD, simply has a more focused interest in these lands that are scattered and small in terms of the BLM's holdings. They would be contiguous with the other Wells Project lands and would be more actively managed as a result.

### **Eagle Habitat and Public Access Concern:**

In its testimony given on March 9, 2006 before the House Resources Committee on H.R. 4789, the BLM provided the following statement:

We encourage the sponsor and the Committee to provide safeguards to protect the known resource values on these lands, which include Bald Eagle roosts and approximately two miles of Columbia River shoreline currently open to the public.

This language implies that there are known Bald Eagle roosts located on all of the parcels to be conveyed under the bill. In fact, only one of the parcels identified on the BLM exhibit map may have a potential for an Eagle roost (Exhibit 4). It should be noted that if Bald Eagle roosts were discovered or established on any lands purchased by Douglas County PUD under H.R. 523, they would also be managed for the sole purpose of

protecting and securing any such roosts. Douglas County PUD policies, the Federal Power Act and the Endangered Species Act require that Eagle roosts be protected. As shown on Exhibit 4, Douglas County PUD owns a parcel of land (acquired in 1964) immediately adjacent to the property to be acquired from BLM and another slightly upstream. The upstream Douglas County PUD parcel is the site of a Bald Eagle roosting area, which is already protected by Douglas County PUD. That parcel was part of a larger parcel acquired in 1991 primarily for development of an electric substation site. The area utilized by eagles was subdivided from the substation property for the sole purpose of protecting and securing the roost, and is successfully managed for that purpose. This is representative of Douglas County PUD's typical approach to wildlife resource issues.

The BLM testimony language set forth above mentions the need to maintain public access to two miles of Columbia River shoreline. Nothing in the legislation would change or alter Douglas County PUD's public access policies, areas or opportunities. As a public agency and as a FERC license requirement, Douglas County PUD makes every effort to maximize public access to the Wells Project shoreline and reservoir, particularly for water-related recreation activities.

#### **Recently Discovered Concerns:**

Only last week, in preparing for this hearing, Douglas County PUD became aware of concerns that had been raised regarding H.R. 523. While it was difficult to discover the source of the concerns since correspondence was not copied to Douglas County PUD, we believe it is appropriate to respond to a letter dated March 16, 2007 and sent to the Committee by Ms. Kate Miller of Trout Unlimited. We appreciate that Ms. Miller was willing to provide a copy of her letter to us on May 4, 2007.

The letter states that the bill "appears to be a highly transparent effort to sell off BLM land to avoid use of the agency's authority to require environmental protections for these lands."

Douglas County PUD is not pursuing this land acquisition to avoid the authority of the BLM to impose conditions on the new Wells Project license under Section 4(e) of the Federal Power Act. As stated in the Wells Project PAD filed on December 1, 2006, "The shoreline of the Wells Reservoir is approximately 93 miles long. Douglas County PUD owns approximately 89 miles of shoreline in fee title.... In addition to the Wells Reservoir, Douglas County PUD owns over 2,140 acres of land within the Wells Project Boundary. Lands within the Wells Project Boundary include shrub steppe, irrigated agriculture, wildlife habitat, such as the Wells Wildlife Area (WWA) and recreation lands, including parks in Pateros, Brewster and Bridgeport." The BLM parcels account for approximately 3.5 miles of shoreline, or about 3.7 percent of the total Wells Project shoreline.

If the BLM had significant concerns about the impact of the Wells project on the subject parcels or other lands in the vicinity of the Wells Project, the proper place to raise those concerns would be in the current process for relicensing the Project. In August 2005,

Douglas County PUD initiated a series of activities and public meetings in preparation for the relicensing of the Wells Hydroelectric Project. Douglas County PUD identified the BLM as a key stakeholder in the relicensing process and has encouraged BLM's participation in the relicensing process from the outset. The BLM received the Information Request Letter sent on August 8, 2005. The BLM was present at Douglas County PUD's Integrated Licensing Process Workshop on October 18, 2005 and volunteered to participate in the Cultural, Terrestrial and Recreation resource work groups. The Consultation Record indicates that the BLM's Rich Bailey, Jim Fisher and Sally Sovey have been on the resource work group distribution lists.

The resource work group process included 34 separate meetings over the course of two years to address Cultural, Terrestrial, Recreation and Aquatic issues associated with the Wells Project. Over 150 issues or concerns were addressed throughout the course of these meetings. The BLM received meeting announcements, agendas, meeting notes and work group documents by email. The BLM's Rich Bailey and Ann Boyd participated by phone in one of the resource work group meetings. The resource work groups mutually developed 12 agreed upon study plans, which were included in Douglas County PUD's PAD.

In addition to the resource work group meetings, Douglas County PUD conducted 31 separate voluntary stakeholder outreach meetings, including meetings with the BLM on September 29, 2005, October 25, 2006 and November 29, 2006. Also included in the FERC relicensing process is the opportunity for stakeholders to submit comments on the Pre-Application Document and FERC's Scoping Document and for stakeholders to submit additional study requests. The first comment period has concluded, and BLM has not requested any additional studies or modifications to the agreed upon study plans or raised any issues related to the PAD or FERC's Scoping Document. Based upon this process, Douglas County PUD believes that it has a positive working relationship with the BLM and that its concerns are being adequately addressed.

The Trout Unlimited letter also states that this legislation will create a loss of "public resource without public input." In fact, there will be no loss of public resource; rather, there should be a resulting increase. The parcels in question would only change to another public holder, the Douglas County PUD, and the funds received by the BLM can be put to use to expand its holdings in areas that would be consistent with its long-term goals. Regarding public input, the Douglas County PUD Commission meets locally in open session every Monday, the FERC relicensing process offers substantial and open public input opportunities, and, during the National Environmental Policy Act (NEPA) process conducted during the initial BLM/PUD land exchange in 2005, there were no comments submitted.

Finally, the Trout Unlimited letter states that the change in ownership threatens to impact listed salmonids present in the project area and raises concerns under NEPA and compliance with the ESA. This concern is not valid. This land constitutes less than four percent of the reservoir shoreline. The best way to benefit the fisheries resource is to include the BLM property with the balance of the shoreline that is already owned and

managed to meet project objectives by Douglas County PUD. The fisheries resources in the Wells Project area enjoy the “no-net-impact” standard incorporated in the Wells Project HCP. The HCP has been made a part of the Wells License. The Wells HCP sets the standard for protection of the salmon and steelhead passing the Wells Project.

The relicensing process for the Project is rigorous and includes NEPA compliance. Trout Unlimited and the Hydro Reform Coalition did receive a copy of the Wells Project PAD and are aware of the timelines associated with the FERC Integrated Licensing Process. Trout Unlimited and the Hydro Reform Coalition did not file any comments on the Wells Project PAD or the FERC scoping document on the Wells PAD in the allotted time. Likewise, these two entities did not file any study requests in the prescribed time.

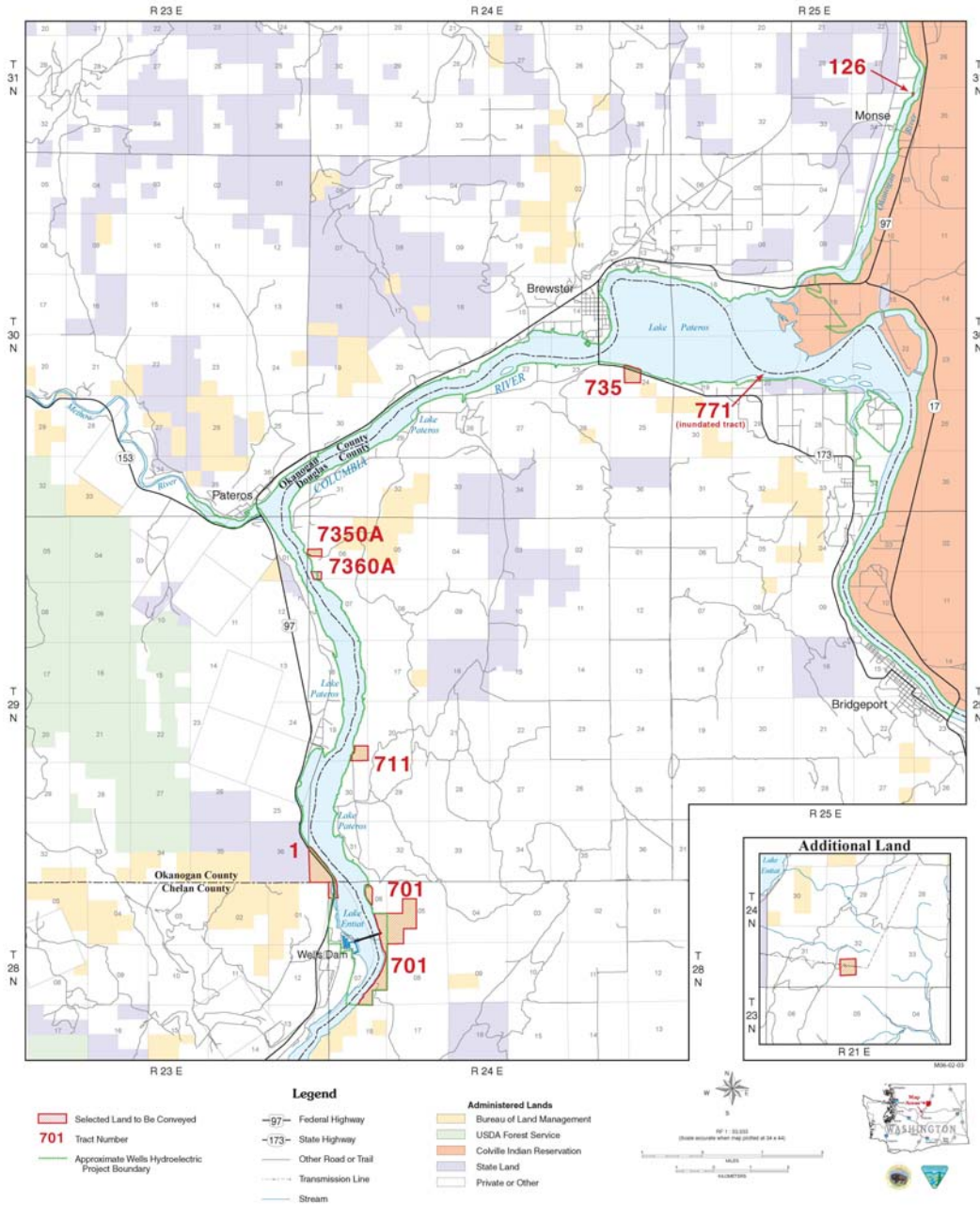
**Summary:**

Douglas County PUD desires to own and uniformly manage the lands surrounding the Wells Project Reservoir. The BLM is willing to sell the necessary lands to complete Douglas County PUD ownership. Douglas County PUD is willing to pay fair market value plus transaction costs to acquire the lands. The BLM can use the proceeds of the sale to expand its holdings or otherwise pursue its land management goals. The lands will be adequately protected by Douglas County PUD pursuant to the Wells Project FERC license and associated licensing process, the Federal Power Act, the Endangered Species Act, the Wells Project HCP and the Douglas County PUD Land Use Policy and all other applicable laws. We believe this transaction is in the best interests of the public and urge your support of H.R. 523.

**Exhibit 1**  
**BLM Map Depicting The Scattered Tracts**

**Douglas County Public Utility District Proposal**  
 March 2, 2006

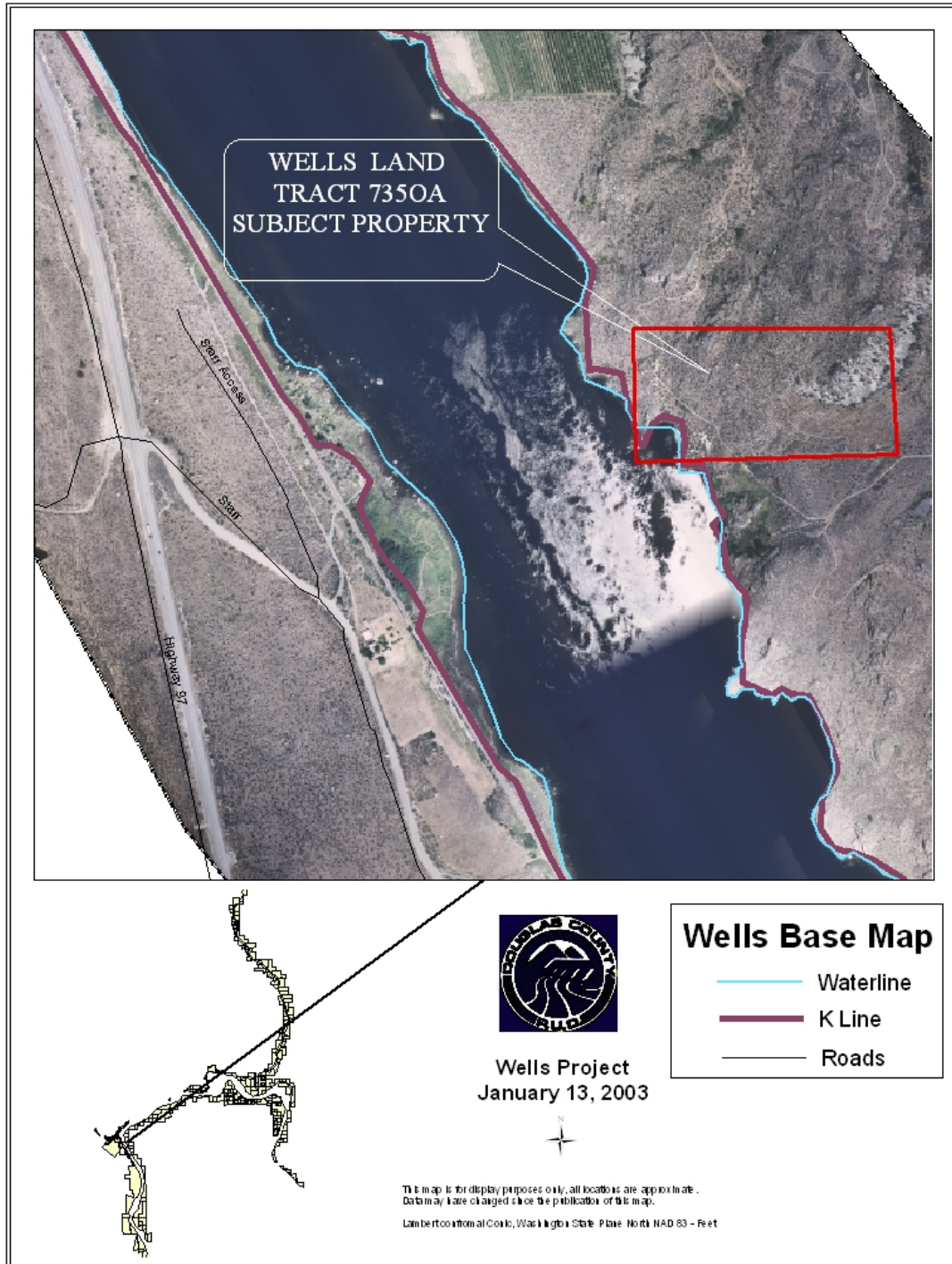
This map prepared at the request of Congressman Hastings



## Exhibit 2

### Typical Tract

Note that the purple line, labeled the “K” line and otherwise known as project boundary, generally shows the area that Douglas County PUD owns, that is, the area between the river and the K line.

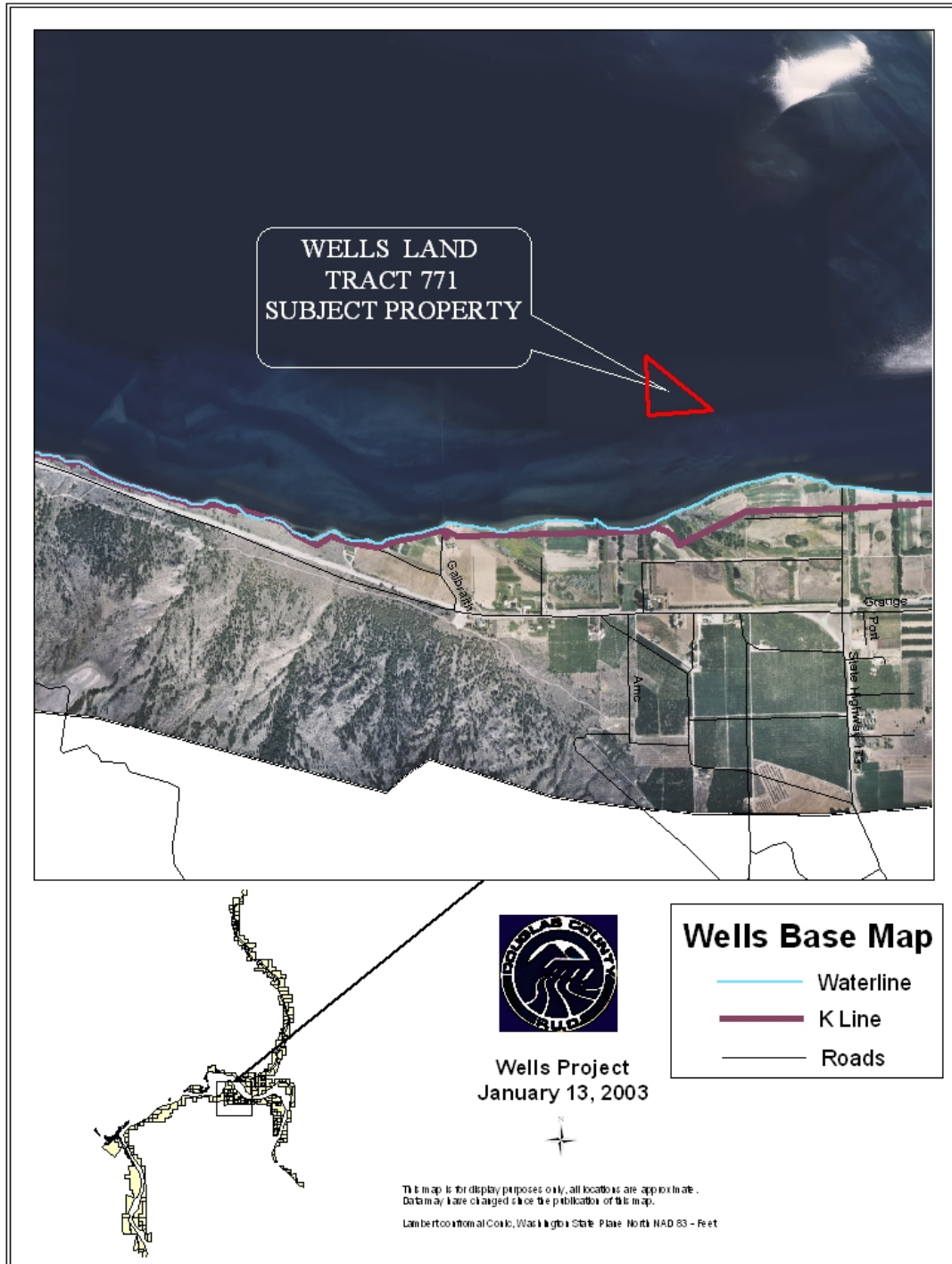




### Exhibit 3

#### Submerged Tract

This tract has been submerged since the construction of the Wells Project. Although this is an allowable use of BLM land, this tract does not provide benefit to the BLM in the traditional sense. Together with the other tracts, this one should be sold to the Douglas County PUD.



### Eagle Habitat

Note that Douglas County PUD has owned the tract on the left since 1964 and has maintained this tract in its natural state. Also, Douglas County PUD has owned the tract on the right since 1991. This tract was originally purchased for a substation site. It was subdivided into three parcels. One of the parcels was dedicated for a substation site, a second included a house that was resold and the third is the area outlined in blue that was retained in its natural state because of its value as eagle habitat.

