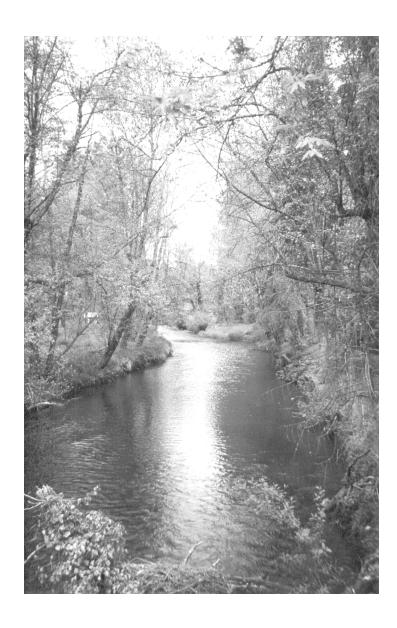


CLEAN, FLOWING WATERS FOR WASHINGTON The Center for Environmental Law & Policy



2003 Annual Report





A Message from CELP Board President Melissa Sparks Arias

2003 was a challenging year for many of us. Nationally, our economy continued to reel from staggering deficits, the continuing effects of September 11th, and the climbing costs of wars on two different fronts.



Locally our state's economy was recovering more slowly than most other states. With this backdrop, the Legislature found itself focusing on plans to stimulate our state's economy, but unable to make progress on any significant water resource protections. However, even through these tough social and economic times, CELP was able to meet and exceed its programmatic goals in 2003. We secured crucial protections for the Columbia River, promoted water conservation on several fronts, continued to protect instream flows in rivers across the state, and repeatedly served as the public's voice for sustainable water management. CELP's success was made possible by the incredible generosity of our donors and volunteers.

CELP was also presented with the opportunity to strengthen its board in 2003 by adding two new members, Barbara Floyd and Dianne D'Alessandro. Barb and Dianne have provided CELP with an extra dose of talent, intelligence and tenacity needed in order for it to continue as a driving force in water resource protection in Washington.

It is clear to me that CELP members place a high value on their quality of life and their commitment to keeping water flowing in rivers and streams. Unfortunately, our policy makers have not always shared these values, and as they proved in 2003, are all too willing to support short-term economic interests without considering the long-term impacts on the state's environmental health. We saw large, poorly mitigated water rights approved, tax cuts granted to some of Washington's biggest environmental polluters, and an unprecedented judicial decision to allow the Port of Seattle to fill dozens of acres of wetlands and choke off the headwaters of three creeks in the name of progress. These decisions prioritized the state's economic needs over protection of the environment and our quality of life.

We know that these are not mutually exclusive goals; a healthy environment leads to a healthy economy. Just ask any industry that depends on clean, flowing water for its livelihood. For example, the recreational fishing industry alone contributed nearly \$1 billion to our economy in 2001. We can find a balance between creating economic growth and environmental protection without destroying rivers, streams, and aquifers. We know that it is up to us to remind our legislators to keep looking for a balance that works for all.

Your support has provided CELP with the resources to continue to meet its mission and ensure protection of Washington's rivers, streams and aquifers for our children and grandchildren. Thank you for your commitment of time and resources to keep CELP strong. As much as we appreciate these contributions, it matters as much when you talk to your friends, your loved ones, and yes, even your legislators, about the value of water.

Our staff's work is made much easier when their words are echoed by you—constituents who vote. It is in this way – neighbor by neighbor, house by house, town by town – that we will inspire our legislators and public agencies to protect water, rather than squandering it. I am honored by your continued commitment to protect and preserve Washington's most precious resource—water!

Milissa aria

CELP: taking action to leave a legacy of clean, flowing water in Washington's rivers and streams

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Melissa Sparks Arias, *President* Barry Goldstein, *Vice President* Craighton Goeppele, *Secretary* Dianne D'Alessandro* Barbara Floyd* Joan Foley Kyle Kovalik Nancy Rust Tim Stearns Roger van Gelder Sims Weymuller Francis C. Wood

* Joined CELP Board in 2003

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*January-July 2003 **August-December 2003 [†]Joined CELP Team in 2004





The environmental attorneys at SMITH & LOWNEY PLLC thank CELP for another fine year in the service of environmental law. Richard Smith - Knoll Lowney

Richard Smith - Knon Lowney Rick Poulin - Paul Kampmeier Davida Finger (206) 860-2883

Environmental, Land Use, Consumer Protection, and Public Interest Law Since 1995 "I support CELP because it is an expert, serious watchdog on behalf of citizens to protect our state's most valuable natural resource—our publicly owned fresh water resources."

Karen Fraser— Washington State Senator

CELP's Accomplishments - 2003

CELP was instrumental in compelling the state to embark upon an initiative to develop a better water management regime for the Columbia - the Columbia River Initiative. In order to provide scientific perspective about how future water withdrawals should be managed, the state commissioned a half-million dollar study by impartial scientists from the National Academy of Sciences' National Research Council. These scientists invited CELP to provide oral and written testimony on the ecosystem needs of the Columbia River. CELP's views on Columbia River instream needs are well-reflected in the final report, which concluded (among other things) that river conditions are already so degraded that further diversions during low-flow periods pose substantial additional risks to salmon survival. The scientists recommended that if additional permits are issued, they should include specific conditions that require withdrawals to be discontinued during critical periods. This report puts CELP in an excellent position to continue to advocate for sound science and sustainable water management as the Columbia River rulemaking process continues into 2005.

• CELP established the right of environmental groups to challenge both procedural and substantive irregularities in agency decision-making on water resource issues. When the Quad Cities of Kennewick, Pasco, Richland, and West Richland pressured the state for a huge new water right from the Columbia River, Ecology bent over backwards to issue the permit. CELP appealed the permit, and won a significant decision from the Pollution Control Hearings Board affirming CELP's standing to appeal procedural, as well as substantive irregularities.

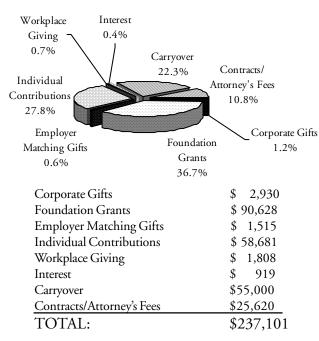
• In the same case, CELP established important pro-river protections for the Columbia River via a negotiated settlement of the appeal. As a result of our settlement agreement, these cities must develop plans to "pay back" the river during low flow periods and show direct environmental benefits to fish. They will also have to follow strict conservation requirements, including definite timelines for implementing programs. In addition, CELP successfully required the Department of Ecology to postpone rule-making under the Columbia River Initiative until the National Academies of Science released a scientific analysis of the effects of additional water withdrawals. And, we obtained Ecology's agreement that it would not issue new water permits from the Columbia until January 1, 2005, or the effective date of the new ruleswhichever comes first. The net effect of this latter provision is that, due to CELP's appeal and settlement of the Quad Cities case, no new water rights have been issued from the Columbia River since January 15, 2003.

• CELP's water law and policy expertise continued in 2003 to positively impact water-related problems and controversies throughout the state. Among CELP's on-going collaborations: CELP supported the Yakama, Umatilla, and Nez Perce Tribes' appeals of water right permits that contained inadequate mitigation provisions to safeguard endangered Columbia-Snake River fish. The appeals resulted in a summary judgment revocation of the permits.

• CELP's intervention in a federal lawsuit helped establish a precedent affirming the US Forest Service's authority to protect river flows. When the National Marine Fisheries Service (now NOAA Fisheries) determined that water diversions would reduce flows in the Methow basin in a way that jeopardized salmon survival, the Forest Service refused to re-issue unconditional permits for irrigation canals across forest lands. When the irrigators filed suit, CELP intervened on behalf of the agencies, and in October, the Ninth Circuit Court of Appeals affirmed that the Forest Service had acted correctly when it limited the use of irrigation canals.

CELP: taking action to leave a legacy of clean, flowing water in Washington's rivers and streams

2003 Financial Information*

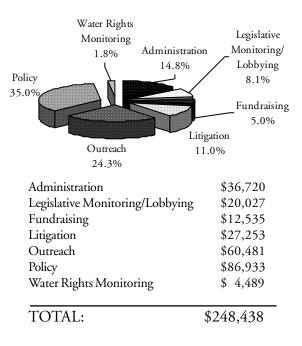


Income

*Unaudited

CELP's Accomplishments (continued)

When the Port of Seattle's proposal to build a third runway at SeaTac airport was challenged by citizen groups, the Pollution Control Hearings Board (PCHB) imposed certain requirements to assure that the project complied with the Clean Water Act. The Port objected and appealed directly to the Washington Supreme Court – asking it to overturn these requirements. The Supreme Court, recognizing CELP's special expertise in water law and advocacy for the public interest, granted CELP Amicus Curiae ("friend of the court") status in the case. CELP's legal briefing to the Court outlined why the Court should uphold the requirement that the Port obtain a water right in connection with its low stream-flow mitigation plan. Although the Court ultimately chose to analyze the Port's plan under a "stormwater management" framework, CELP's Amicus brief helped to illustrate crucial water law principles associated with beneficial uses and instream flows.



Expenses

• CELP was instrumental in creating a new nonprofit organization, the Partnership for Water Conservation, which will bring the environmental, utility, and business communities together to promote water conservation in Central Puget Sound. Because conservation efforts in this rapidly growing urban area are haphazard at best, this new organization will provide a central forum for sharing technical resources, sharing and developing water efficiency programs and practices, coordinating regional conservation efforts, and advocating for a strong conservation ethic in this region.

• Using our 2002 report, Wa\$ted Water: How lax water efficiency laws waste millions of gallons and millions of dollars, CELP effectively advocated for legislation that requires water conservation by public water suppliers. Due in part to our advocacy, the Legislature directed the Department of Health to adopt rules by the end of 2005 that require water suppliers to set and achieve conservation goals. Beginning in 2006, water suppliers will have to integrate many new water efficiency requirements into their water system operations.

Thank you for supporting CELP!

We would like to sincerely thank all of our members and donors for your support. With your help, we will continue our fight to leave a legacy of clean, flowing water in Washington's rivers and streams for use and enjoyment by all. This list acknowledges individuals, businesses, groups, and foundations who provided financial support during the calendar year 2003.

WATERSHED LEVEL (\$1000+)

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AQUIFER LEVEL (\$500-\$999)

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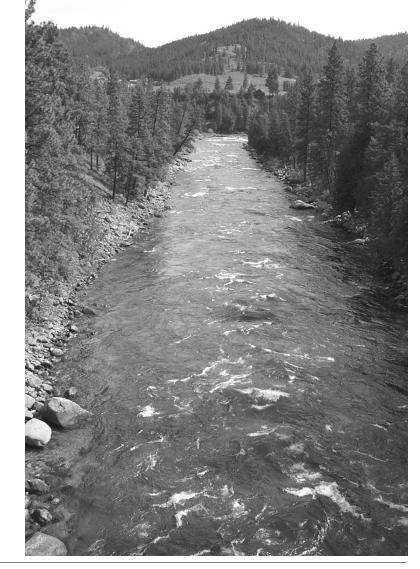
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Groups

Clark-Skamania Flyfishers EcoEncore Fidalgo Fly Fishers Friends of the Cedar River Watershed Methow Valley Flyfishers

We want to extend a special note of thanks to the following individuals and businesses, for their tremendous gifts of professional services and resources!

Kevin Almeida, Netkal.net Gardner Brown, Professor Emeritus, University of Washington Tom Fox Gordon, Thomas, Honeywell, Malanca, Peterson and Daheim, P.L.L.C. Julie Ann Gustanski, Resource Dimensions Dwight Holobaugh, Consultares Johnson Flora, PLLC Paul Kampmeier, Smith & Lowney, PLLC Kevin Klingbeil, Attorney at Law Roderick Malcom, Ecocline Fisheries Habitat Consulting, Ltd. Odwalla Rachael Paschal Osborn, Attorney at Law Pacific Natural Sales Patty Pearson, Gordon, Thomas, Honeywell, Malanca, Peterson and Daheim, P.L.L.C.



CELP: taking action to leave a legacy of clean, flowing water in Washington's rivers and streams

"There is no other single issue in the state more important than the management and care of our water resources. There is one organization that recognizes the importance of our water resources and is doing something about it - the Center for Environmental Law and Policy (CELP)."

Tom Deschner, Kayaker, Founder of Washington Water Trails Association (WWTA)

CELP's Mission



Because fresh water is vital to our quality of life, CELP takes action to leave a legacy of clean, flowing water in Washington's rivers and streams for use and enjoyment by all. We defend, develop and advocate for ecologically and socially responsible water laws and policies through collaboration, education, government oversight, research and litigation.

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raises funds for environmental organizations like CELP through the resale of used books, CDs, videos and DVDs. Bring us your used items and EcoEncore will turn them into funds to protect Washington's waters! Email info@celp.org for more information, or visit www.ecoencore.org for details.



CELP is a proud member of Earth Share of Washington, an alliance of 65 leading environmental organizations that helps to protect our environment and quality of life.



CLEAN, FLOWING WATERS FOR WASHINGTON

The Center for Environmental Law & Policy

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