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Oregon

January 31, 2008

DECISION MEMORANDUM

TO: Council Members

FROM: Mark Fritsch, project implementation manager

SUBJECT: Council decision on first quarter within-year project funding requests

PROPOSED ACTION: Approve five of the within-year project funding requests as defined and conditioned by staff.

BUDGETARY/ECONOMIC IMPACTS:

The total requested amounts are \$906,397 in expense funding in Fiscal Year 2008, and \$392,915 in Fiscal Year 2009. This amount is in addition to the Fiscal Year 2008 - 2009 funding recommendations.

BACKGROUND:

The within-year budget requests for the First Quarter of Fiscal Year 2008 have been reviewed by the budget oversight group (BOG). Bonneville, the Council, and the Columbia Basin Fish and Wildlife Authority formed the BOG to conduct a budget-tracking process. A principal role of the BOG is to determine if requests for additional funding are due to rescheduling, or if they are within-year requests (that is, scope change, budget change, scope/budget change, or new request), and to sort the within-year requests into one or more categories. Reschedules are forwarded to Bonneville for assessment and funding as funds become available, and within-year requests also are forwarded to Bonneville for recommendation, depending on the availability of funds.

On January 15, 2008, the Council staff presented the requests and reviewed the schedule for the within-year budget adjustment requests for the First Quarter of Fiscal Year 2008. The comment period associated with these requests closed on January 29th with one comment being received from the Oregon Anglers regarding the requests associated with the sea lions.

As anticipated, after the close of the comment period, Bonneville submitted a letter addressing the within-year requests (see Attachment 1).

ANALYSIS:

Of the 13 requests reviewed by the BOG during the First Quarter of Fiscal Year 2008, 10 requests will need a decision in February. As outlined in the attached table, one request was addressed as part of the Council recommendation associated with the Lake Roosevelt Kokanee Program Review, one request is currently under ISRP review and a decision will be deferred until that review is complete (i.e., CSMEP), and the remaining request did not require any action (i.e., determined not to be a scope change).

The following categories address the 10 project requests and the Council staff's recommendations.

Category 3a: Threats to Project Integrity - (a) that jeopardize the performance of the entire project

- **Project 1988-053-07, Parkdale O&M - Hood River Production Program**, requests \$150,000 in expense funding for Fiscal Year 2008. In November 2006, Middle Fork of the Hood River flooded and debris flows threatened the Parkdale hatchery facility. As a result, the Council provided an emergency approval of \$30,225 on March 7, 2007 for excavator work on the Middle Fork for an initial assessment of the flood damage. As a follow-up, a working group of professional hydrologists/geomorphologists reviewed an initial assessment report and recommended construction of a berm to protect the facility from future high water events. Because the Middle Fork's channel aggraded during the November flooding, the likelihood of highwater flooding events has greatly increased for the Parkdale facility. Bonneville supports this request to construct this flood protection berm.

Staff Recommendation: Based on the past investments in the facility, the threat to that facility and its importance to the current and near future needs for the Hood River Production Program the Council staff recommends that the Council approve this request.

Category 3b1: Threats to Project Integrity - (b) that jeopardize the performance of a discrete task or objective; (1) adverse biological consequences to the project

- **Project 1995-057-00, Southern Idaho Wildlife Mitigation** has requested \$130,000 in Fiscal Year 2008 expense funding to replace two irrigation pivots at the IDFG-managed Deer Parks Complex wildlife mitigation property purchased in 1997. Money was originally budgeted to replace one pivot in Fiscal Year 2006, but instead the money was used to construct a shop/maintenance facility that exceeded the original cost estimates.

Although the Council and Bonneville have replaced these pivots in the Deer Parks budget in previous years, their replacement was deferred to construct more important residence and equipment maintenance facilities that were delayed, and whose construction costs exceeded budgets. On June 16, 2005 the Council approved a within-year request of \$72,000 to construct a residence and equipment maintenance facility. While the total cost was estimated to be \$182,000, the project's approved budget had only \$110,000 available for these structures. The 2005 approved request was used to construct a residence completed in December 2005. However, due to delays in permitting and environmental and engineering reviews' the maintenance facility was not constructed in

either Fiscal Year 2005 or 2006. As a result, these delays and associated cost increases have added \$150,000 to the cost to build the maintenance facility by the end of Fiscal Year 2007. Therefore in May 2007 the Council approved \$150,000 in expense to address the need to complete a maintenance facility. The facility was completed in September 2007 as agreed.

As a result of budget adjustments and increased costs, necessary pivot replacements on the Deer Parks complex have been deferred while other facilities were constructed at higher than expected costs. The pivots are necessary for the project to function according to the management plan, including providing for a share crop agreement, as well as habitat maintenance and restoration.

Staff Recommendation: The Council staff, based on the information available, recommends that the Council concur with Bonneville on this request and approve \$130,000 to purchase two irrigation pivots.

Category 3b2: Threats to Project Integrity - (b) that jeopardize the performance of a discrete task or objective; (2) The loss of monitoring and evaluation data

- **Project 1997-004-00, Resident Fish Stock status Above Chief Joseph and Grand Coulee Dams (no. 1997-004-00)**, requests \$45,000 in Fiscal Year 2008 expense funds to purchase equipment necessary to conduct radio telemetry study of redband trout in Little Spokane River, and in upper Lake Spokane to identify life history diversity and associated key habitats.

The Council had recommended as part of the Fiscal Year 2007 - 2009 decision \$622,049 in 2007, \$682,120 in 2008, and \$663,233 in 2009. The current implementation planning budget from Bonneville shows the project at \$622,049 for Fiscal Year 2008 and 2009. The project had proposed a budget of \$682,120 for Fiscal Year 2008 for the work elements associated with life history diversity and important seasonal habitats in the Little Spokane River drainage and upper Lake Spokane for redband trout.

Adequate funds had been available, but another project participant had contracted with Bonneville prior to WDFW and therefore eliminated the need for additional funds. The sponsors need to prioritize the work elements that fit within the recommended budget.

Staff Recommendation: Based on this, the Council staff concurs with Bonneville that this request should not be approved.

- **Project 2003-114-00, POST Acoustic Tracking for Survival of Columbia R Salmon Smolts**, requests \$387,397 in Fiscal Year 2008 and \$130,515 in Fiscal Year 2009 for a total of \$517,912. The request addresses the following needs.
 - To support an additional listening line to allow the existing POST array to measure the survival of acoustically tagged Snake and Yakima River smolts at Astoria Bridge in 2008 and 2009. This will more clearly distinguish freshwater survival and lower estuary residence from subsequent ocean effects by subdividing survival into two additional segments—from Bonneville Dam to Astoria

(freshwater survival below the hydrosystem or “estuary” survival), and Astoria to Willapa Bay (initial ocean survival array).

- To support a dual frequency version of the POST array in 2008 to address a new very small acoustic tag manufactured by Vemco. This new tag is as small as other commercially available acoustic tags, but operates at a different frequency (180KHz), intermediate between POST’s current frequency (69 KHz) and that of other small tag systems now in use (300-420 KHz, JSAP’s). This small device will allow smaller migrants to be tagged and will complement the functionality of these Vemco tags in seawater allowing measurement of movements and survival of fall Chinook, Coho, and other life histories.

Staff Recommendation: The Council staff recommends that the Council support the request, as supported by Bonneville, to enable the sponsor to incorporate advances in acoustic tag technology and the deployment of the beneficial Astoria Bridge array.

- **Project 1992-026-04, Investigate Life History Of Spring Chinook Salmon and Steelhead in the Grande Ronde Subbasin**, requests \$158,000 in Fiscal Year 2008 and \$282,800 in Fiscal Year 2009 expense funds. The Council, as part of the Fiscal Year 2007 - 2009 decision recommended funding of this project at \$820,000 each year. Bonneville, as reflected in the Implementation Planning Budget for the project, identified funding at \$820,000 in Fiscal Year 2007, \$656,000 in Fiscal Year 2008, and \$557,600 in Fiscal Year 2009. The sponsor states that these reductions in funding will compromise the experimental design to evaluate the effectiveness of the spring Chinook salmon supplementation program in the Grande Ronde Subbasin. Specifically, they would discontinue monitoring of salmonid production from the Minam River (reference stream) and upper Grande Ronde River (one of three treatment streams).

The FCRPS draft BiOp references the project for its importance to fish population and tributary habitat monitoring. Reinstating funding for the project will allow the sponsor to continue to evaluate the effectiveness of hatchery supplementation.

This within-year project funding request received more support than any of the other requests reviewed as part of the quarterly review, with letters of support from the Confederated Tribes Umatilla Indian Reservation, U.S. Fish and Wildlife Service, and the Nez Perce Tribe.

Staff Recommendation: Based on the importance of this project to the ongoing monitoring program in the Grande Ronde Basin, and the project’s importance as an aspect of the FCRSP draft BiOp outlined above, the Council staff recommends that the Council approve the request for Fiscal Year 2008 for \$164,000 to maintain the project at the recommended Fiscal Year 2007 funding level. In addition, the same logic applies to the project needs for \$262,400 in Fiscal Year 2009.

Category 5: Other

- **Project, 1994-042-00, Trout Creek Habitat Restoration Project**, requests \$73,452 in Fiscal Year 2008 and \$73,452 in 2009. The sponsor seeks additional funds to attain the Council’s recommended funding level, noting that the project has been locked at its

current level for the past five years. The sponsor states that current funding jeopardizes the existing habitat work and will delay implementation of on the ground projects.

The Council had recommended as part of the Fiscal Year 2007 - 2009 decision \$400,000 each year. The current implementation planning budget from Bonneville shows the project at \$383,662 for Fiscal Year 2008 and in 2009.¹

It is important to note that the requested amount exceeds the amount that was recommended by the local planning group, the amount recommended through the Oregon Subbasin Plan Implementation Team (OSPIT) Review of 2007-2009 Province Budgets, and the final amounts recommended by the Council as part of the Fiscal Year 2007 - 2009 solicitation and review.

The Bonneville recommendation is consistent with its previous decision and does not support the request.

Staff Recommendation: The Council staff does not see the need to alter the Bonneville recommended budget for this project, believing that the sponsor could shift certain tasks to continue with the proposed habitat work. Staff recommends that the Council not approve the request.

- **Project 1991-019-01, Hungry Horse Mitigation-Flathead Lake.** The sponsor is requesting no cost reinstatement of the work element "Remove or Relocate Predaceous Animals" into their project. This request is intended to reverse a decision the Council made on June 12, 2007. This action came out of the funding recommendation associated with the Fiscal Year 2007 - 2009 project review.

On January 2, 2007, the Council received the CSKT response to these concerns, and on February 22, 2007 the ISRP provided a preliminary review of the submittal. The preliminary review requested additional information from the sponsor prior to making a final recommendation. As a follow-up to this request the ISRP and the CSKT held a teleconference on March 30, 2007 to discuss the ISRP's comments. On May 25, 2007 the Council received the revised narrative from CSKT to address the preliminary review by the ISRP.

On June 20, 2007 the Council received the final review (ISRP document 2007-7) from the ISRP related to the CSKT's project 1991-019-01. With this review, the ISRP completed their fourth and final response related to the original project proposal associated with the Fiscal Year 2007 - 2009 solicitation. The ISRP's final recommendation stated "Meets Scientific Review Criteria In Part (qualified)". Specifically, the ISRP determined the following work elements did not meet scientific review criteria.

- Inventory population status and habitat associations of western pearl mussel
- Conducting fishing contests for lake trout

¹ The proposal had originally requested FY07 @ \$475,545, FY08 @ \$499,050, and FY09 @ \$533,900 as part of the FY 2007-2009 solicitation.

- Flathead Lake fishery monitoring

On July 25, 2007 and August 10, 2007 the Council received letters from CSKT addressing the final review of the project by the ISRP. The letters reflected on the history of the exchanges with the ISRP during this review period and provided additional details regarding funding alternatives for the project.

Based on the ISRP review, the Council recommended that the work elements associated with western pearl mussel (Objective 4) and fishing contests for lake trout (Objective 3, work element 3) not be funded.

The remaining issue raised by the ISRP regarding Flathead Lake monitoring (Objective 2, work elements 1 and 2) was clarified, to a certain degree, by a letter received at the Council meeting on August 14, 2007 from Montana Fish, Wildlife and Parks (MFWP). The letter provided confirmation on the linkage of the CSKT project and the MFWP project (1991-019-03, Hungry Horse Mitigation Program) and the complementary efforts conducted by these two projects to restore native trout in the watershed. Based on this input, and the discussion at the Council meeting with the CSKT, the Council approved the funding of these work elements

Staff Recommendation: Based on the process and decision outlined above, the Council staff feels that the request does not warrant any revision to the decision made in June 2007 and therefore the request is denied. In addition, Bonneville does not support the fishing derby work element.

- **New Projects (2) associated with California sea lions**

In 2007, program funds were used for the first time to assist co-managers' attempts to haze sea lions near Bonneville Dam. The request was made by CRITFC to use savings from project 1998-031-00, Implement Wy-Kan-Ush-Mi Wa-Kis, at an amount of \$18,778. On May 9, 2007, a decision was made by the BOG Management Group to take savings from one project work element to create a new work element associated with sea lion hazing.

At the December 2007 BOG meeting, requests were made for two new projects intended to supplement the current activities of the U.S. Army Corps of Engineers (the Corps) initiated in 2002 when sea lion monitoring efforts began in the area immediately below Bonneville Dam. Until 2001, few seals and sea lions were observed feeding in the area immediately downstream of Bonneville Dam. In April 2001, the Corps began to monitor marine mammal predation on ESA-listed salmonids in the tailrace of Bonneville Dam. Estimates of pinniped predation on fish, mainly adult spring Chinook salmon and steelhead, has been documented by the Corps for each of the past six years. The Corps expanded its sea lion monitoring program below Bonneville Dam in 2002 and has since conducted systematic observations of pinniped predation on salmonids from January through May during the 2002 - 2007 period. The number of California sea lions at Bonneville Dam has increased during the 2002-2007 period, averaging 77 animals, with a range from 30 (in 2002) up to 108 (in 2003). In the last several years, the sea lion monitoring program was expanded when full time active and passive deterrents were

employed. The Corps plans to continue with its monitoring and evaluation of hazing efforts below the dam again in spring 2008 (Corps project #ADS-P-02-16).

The sea lion monitoring program was called for in the NMFS 2000 FCRPS Biological Opinion and is also included in the draft NMFS 2008 FCRPS Biological Opinion. As a result of the Corps' monitoring efforts over the past six years, it is now possible to quantify a minimum level of California sea lion predation on listed salmonids at Bonneville Dam.

The following descriptions outline the two requests.

- **Project NEW, 2008-004-00, Sea lion Predation Rate Estimation and Nonlethal Hazing**, requests \$302,623 in Fiscal Year 2008 and \$258,000 in Fiscal Year 2009. The CRITFC is proposing a pilot project with two objectives. The first objective is to estimate sea lion predation rates on salmon below Bonneville Dam by adapting a video fish counting technology to enumerate sea lions and salmon predation. The video system would be designed to observe river surface activities in certain areas of the river. Software would be used to scan these recordings and select times when water surface disturbances are detected. These select recordings would then be reviewed by personnel to verify and note sea lion presence and predation activities. Costs associated with the implementation of this objective are \$162,783 in Fiscal Year 2008. The second objective is to implement a non-lethal hazing program. The request details a boat based non-lethal hazing on sea lions in the area from Bonneville Dam downstream to navigation marker 85 (approximately 6 miles). This would consist of the use of cracker shells, seal bombs, and rubber bullets. It is anticipated that hazing will be conducted five days per week for approximately six hours a day from about March 1, 2008 through May 31, 2008. Cost associated with this objective is \$139,840 in Fiscal Year 2008.²

The request also identifies the continuation of this request through Fiscal Year 2012 (i.e., FY 2010 @ \$266,200, FY 2011 @ \$274,728 and FY 2012 @ \$283,597).

- **Project NEW, 2008-003-00, Capture, marking, hazing and removal of California sea lions at Bonneville Dam**, requests \$290,632 in Fiscal Year 2008 and \$250,000 in Fiscal Year 2009. The sponsors, PSMFC, ODFW, WDFW, IDFG are proposing to construct and operate California sea lion trapping equipment to mark, (i.e., this includes the construction of two traps, one transport barge, two transfer cages, a squeeze cage, a platform scale, twenty satellite tags, 25 acoustic tags, 13 hydrophones, anchor systems, and misc. equipment) monitor, haze, and facilitate the removal of California sea lions preying on fishes at Bonneville Dam. Work elements associated with the request address the construction of equipment necessary to capture and mark sea lions caught in the traps, and to track and haze predatory sea lions below Bonneville Dam. The

² NOAA's draft Environmental Assessment estimates a cost for non-lethal hazing at \$150,000.

request also identifies a continuation of funding at \$250,000 per year through 2012.³

In December 2006, the States of Oregon, Washington, and Idaho applied to NOAA Fisheries for lethal removal authority for these sea lions under Section 120 of the Marine Mammal Protection Act (MMPA). In 2007, NOAA Fisheries accepted the application and established a Pinniped-Fishery Interaction Task Force to review the request and make recommendations to NOAA Fisheries for action. The Pinniped-Fishery Interaction Task Force Report (submitted to NOAA Fisheries in early November 2007) recommended (with one of the 18 members dissenting) approving the request for lethal removal authority, increasing efforts to permanently mark as many sea lions feeding below Bonneville Dam as possible, and obtain additional information on predation in the area below the dam.

The proposals outlined above are intended to address the necessary elements as recommended by the Pinniped-Fishery Interaction Task Force and draft NMFS EA for any lethal take of California sea lions to occur. In the proposed action in the draft EA, lethal take must be accompanied by a non-lethal hazing and monitoring and evaluation program. Both proposals address the needs associated with this expanded monitoring program by either trapping/marketing or monitoring behavior and predation activities.⁴

Currently, capture and marking operations are limited primarily to the lower river at Astoria. Funds requested in the second proposal would provide for construction and operation of two traps at Bonneville Dam for the sea lion capture, marking, and removal (given final NOAA Fisheries approval) program. This capability is essential and prerequisite to any successful removal of sea lion predators in this area.

On January 18, 2008, the Federal Register published a notice of availability of NMFS' draft Environmental Assessment (EA) regarding the states' request for authority to lethally remove certain California sea lions below Bonneville Dam.⁵ The proposed action in the NMFS draft EA proposes to approve the three states' section 120 application for lethal removal of California sea lions at Bonneville Dam under certain and specific circumstances in accordance with the MMPA, as well as continuing with non-lethal hazing and monitoring and evaluation (M&E) efforts. Public comment on the EA is open until February 19, 2008. The region will not know the full scope of the required non-lethal hazing and M&E efforts until the NMFS NEPA process and record of decision is completed in late March 2008.

On January 25, 2008, the Council and Bonneville staff had a conference call, with the project sponsors. Prior to this call confirmation was received that NMFS will again grant to PSMFC \$300,000 for the state fish and wildlife agencies to continue their research, monitoring, trapping/marketing, and the non-lethal deterrence of California sea lions in the

³ NOAA's draft Environmental Assessment estimates a cost for the construction and operation of 2 traps at \$150,000. This cost estimate does not include the cost of constructing a transport barge.

⁴ These efforts are also consistent with the marine mammal predation measures called for in the draft NMFS 2008 BiOp RPAs #49 and 69.

⁵ NOAA's draft Environmental Assessment (EA) entitled "Reducing the Impact on At-risk Salmon and Steelhead by California Sea Lions in the Area Downstream of Bonneville Dam on the Columbia River, Oregon and Washington."

Columbia River. During the conference call, Council staff expressed concerns about the implementation of this “program” without independent science review and additional information regarding the intent and funding being provided by NMFS and The Corps for this proposed transition of the sea lion projects in the Columbia River. The conference call did not resolve the information needs or assist staff in making a determination of the immediate needs of the sea lion actions needed in the near future. The sponsors continued to echo their needs as proposed.

On January 29 information was received from the sponsors of proposal #2008-003-00 proposing that the Council approve a portion of their request so that they could order and receive the necessary equipment by early April. This would allow them to conduct capture, marking, and removal operations in April and May 2008 when the greatest numbers of sea lions occur near Bonneville Dam. The cost for this portion of the work includes \$100,000 for the necessary capital equipment and \$45,000 for staff time and miscellaneous supplies, and operation costs. This suggestion was provided with the understanding that the remainder of the proposal would move through the science review and Council decision process.

Letters of support have been received as part of the initial BOG request from the states of Washington and Oregon (for proposal 2008-003-00). In addition, as part of the public comment period associated with the quarterly review of within-year funding adjustments, a comment was received on January 28, 2008 from Dennis Richey representing Oregon Anglers that supports the state request for funding to “remove the worst offenders at Bonneville” and the need to “act now” on this issue of sea lion predation.

Staff Recommendations:

Staff proposes that, before any further expansion beyond what the fish and wildlife program has already contributed to the co-managers' hazing of sea lions near Bonneville Dam in 2007, a single, regionally coordinated proposal should be designed and reviewed by the ISRP that provides a better understanding of the total scope of the effort and anticipated funding needs in the out years. In addition, a better understanding of what and how the Corps' and NMFS's ongoing efforts will align to these two requests - not only in the design, but also with regards to funding - would help address a possible transition to reduce sea lion predation in the Columbia River. Bonneville, in a letter received on January 31st, recommends that the proposals should be consolidated for comprehensive description of the proposed work and cost-sharing with other entities. Based on this understanding the Council staff recommends that the states' proposal #2008-003-00 be denied.

In regards to proposal #2008-004-00, based on the above information and understanding, Council staff recommends supporting this proposal at a level not to exceed \$75,000 in Fiscal Year 2008 expense funds to support existing activities on the river and build upon the Council actions last year. The staff recommendation is based on the costs associated with the non-lethal hazing element as defined in NOAA's draft Environmental Assessment. Assuming that the states will be continuing the same actions as conducted in the past using NMFS funding, it seems reasonable to assist the tribes in this non-lethal hazing effort below Bonneville Dam by providing approximately half of their requested cost (i.e., \$75,000). At this time Council staff does not support the effort as outlined in

proposal #2008-004-00 regarding sea lion hazing at \$133,340⁶ until there is a better alignment with a regionally coordinated proposal that is reviewed by the ISRP that provides a better understanding of the total scope of the effort and anticipated funding needs in the out years. To ensure contracting is expedited and able to contribute to the needs in 2008, these funds should be provided to Project 1998-031-00, Implement Wy-Kan-Ush-Mi Wa-Kis that currently can address the recognized work element associated with sea lion hazing. This recommendation is made with the understanding that a comprehensive proposal will be submitted in the future that not only lays out the entire proposed action for review by the ISRP, but provides a better understanding of the total scope of the effort and anticipated funding needs in the out years and how the existing funds being provided will assist with the transition of the sea lion predation program.

- **New Project, 2008-005-00, East Birch Water Association.** The request is to re-establish grade level along 825-feet of East Birch Creek (Umatilla Subbasin) to correct width-depth ratio and alleviate flooding on private lands. Council staff and Bonneville feel that the request should be addressed through one of the ongoing habitat projects that are currently implemented in the Umatilla Subbasin. The sponsor, East Birch Creek Water Association, should be directed to work with either ODFW (Project 1987-100-02, Umatilla Subbasin Fish Habitat Improvement Project) or CTUIR (project 1987-100-01, Umatilla Anadromous Fish Habitat - CTUIR). By directing the sponsor to these ongoing projects, it will ensure that the proposed action fits within the current habitat priorities and focal species needs identified and being implemented in the Umatilla Subbasin as it relates to habitat priorities and focal species needs.

Staff Recommendation: Therefore, Council staff recommends that the Council concur with Bonneville and not support this request.

Based on the reviews conducted by the BOG members, Council staff, and the review and correspondence received from Bonneville, the Council staff recommends that five of the 10 within-year adjustments seeking a decision, as outlined in the following table, be approved for a total requested amount of \$906,397 in expense funding in Fiscal Year 2008, and \$392,915 in Fiscal Year 2009.

⁶ Hazing would occur for approximately 6 hours per day, 5 days per week. A 3 person crew will be used and consist of a boat operator, a hazer, and a data recorder. Hazing would commence about March 1, 2008 and conclude about May 31, 2008.

Table 1: Summary of within-year budget adjustments and staff recommendations for the first quarter of Fiscal Year 2008.

Category	Project #	Project Title	Sponsor	FY 2008 Budget (BPA)	Request 2008/2009	Status
3a						
	2001-028-00	Banks Lake Fishery Evaluation Project	WDFW	\$263,595	\$18,500	Addressed 11-12-07 ⁷
	1988-053-07	Parkdale O&M - Hood River Production Program	CTWSRO	\$251,107	\$150,000	1 st Quarter Decision - Approved
3b1						
	1995-057-00	Southern Idaho Wildlife Mitigation	IDFG	\$406,360	\$130,000	1 st Quarter Decision - Approved
3b2						
	1997-004-00	Resident Fish Stock status Above Chief Joseph and Grand Coulee Dams (no. 1997-004-00)	WDFW	\$622,049	\$45,000	1 st Quarter Decision - Declined
	2003-114-00	POST Acoustic Tracking for Survival of Columbia R Salmon Smolts	Kintama Research Corporation	\$1,200,000	\$387,397/ \$130,515	1 st Quarter Decision - Approved
	1992-026-04	Investigate Life History Of Spring Chinook Salmon and Steelhead in the Grande Ronde Subbasin	ODFW	\$656,000	\$158,000/ \$282,400	1 st Quarter Decision - Approved, at Adjusted Level
5						
	1994-015-00	Idaho Fish Screening Improvement	IDFG	\$300,000	\$0, scope	BOG denied, not a scope change
	2003-036-00	Collaborative Systemwide Monitoring and Evaluation Project (CSMEP)	CBFWA	\$500,000	\$484,500	Under ISRP review, Deferred
	1994-042-00	Trout Creek Habitat Restoration Project	ODFW	\$383,662	\$73,452/ \$73,452	1 st Quarter Decision - Declined
	1991-019-01	Hungry Horse Mitigation-Flathead Lake	CSKT	\$338,000	\$ 0	1 st Quarter Decision - Declined
	New, 2008-004-00	Sea lion Predation Rate Estimation and Nonlethal Hazing	CRITFC	NA	\$302,623/ \$258,000	1 st Quarter Decision - Approved, at Adjusted Level
	New, 2008-003-00	Capture, marking, hazing and removal of California sea lions at Bonneville Dam	PSMFC, ODFW, WDFW, IDFG	NA	\$290,632/ \$250,000	1 st Quarter Decision - Declined
	New, 2008-005-00	East Birch Water Association	East Birch Creek Water Association	NA	\$15,000	1 st Quarter Decision - Declined

⁷ The request was addressed on November 12, 2007 as part of the Council recommendation regarding the Lake Roosevelt Kokanee Program Review at \$263,595 per Fiscal Year 2008 and 2009. Therefore, no action is needed.

Attachment 1: Letter received on January 31, 2008 from Bonneville regarding within-year budget adjustments associated with the Quarterly Review.



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

ENVIRONMENT, FISH AND WILDLIFE

February 4, 2008

In reply refer to: KEW-4

Mr. Tony Grover
Fish and Wildlife Division Director
Northwest Power and Conservation Council
851 SW Sixth Avenue, Suite 1100
Portland, OR 97204-1348

Dear Mr. Grover:

In accordance with the Budget Oversight Group (BOG) process, the BOG conducted the first quarterly review of within-year budget and/or scope modification requests for Fiscal Year 2008 [submissions reviewed by BOG in October, November and December]. These requests were presented at the January Fish and Wildlife Committee Meeting, and a 14-day public comment period was opened. One comment was received. As a result of the BOG review, consideration of any comments, and subsequent further analysis by BPA staff, the following requests are submitted to Council for evaluation and recommendations.

BPA will consider the Northwest Power and Conservation Council (Council) recommendations and reassess the status of contract commitments, billings to date, and end-of-year accrual projections before making final decisions to adjust individual project budgets.

The BOG process incorporates the following criteria to categorize the project requests:

Category

- 1. Emergency** - Acts of God or the unforeseen loss of mechanical infrastructure that necessitates an extraordinary action to avoid the imminent loss of fish or wildlife resources; imminent threat to human health or safety.
- 2. ESA Commitment of BPA** - A new or ongoing project that directly implements actions committed to by the Action Agencies to implement biological opinions. New projects will be

reviewed by the Independent Scientific Review Panel (ISRP), BPA and the Council prior to BPA funding.

3. Project Integrity - Actions necessary for the project, though not of an emergency nature, to avoid the loss of a previous project investment; including major project review (i.e. step review) that would:

- a. Jeopardize the performance of the entire project; or
- b. Jeopardize the performance of a discrete task or objective of the project causing:
 1. Adverse biological consequences to the project; or
 2. The loss of monitoring and evaluation data;

4. Lost Opportunity - New or ongoing projects that respond to a limited opportunity to benefit the fish and wildlife resource and that opportunity will be permanently lost if the requested budget increase and associated work is not approved. "Lost opportunity" constitutes a highly scrutinized status and does not necessarily constitute an automatic approval.

5. Other - Any project not deemed by the BOG to fall into the four categories defined above. The loss of capability to administer the project also falls into this category. Examples of this type of request might include a cost-of-living increases or increases in indirect rates. Because these costs should be addressed through project contracting, it is unlikely that these projects would receive a high priority in the quarterly review process.

The following request are being addressed in accordance with the schedule of the BPA/Council within-year process; they were discussed at the October, November and December Monthly BOG meetings, forwarded to the Council to initiate the 14-day public review process, and are now being forwarded to the Council for its recommendation.

Project Funding Requests – BPA Recommended

Category 3a

Project Number: 1988-053-07

Project Name: Hood River Production O&M – Warm Springs/ODFW

Contractor: Confederated Tribes of Warm Springs Reservation

BPA-COTR: Sarah Branum

Budget Amount: \$250,000 ('08); \$150,000 requested by CTWSR and \$100,000 associated with BPA non-contract costs

Funding Type: Expense

Explanation of need: The Hood River Production Project requests funding to construct a 1,250 ft. long berm to protect the Parkdale Fish Facility from Middle Fork Hood River flood events. The Parkdale Fish Facility is located west of Parkdale, Oregon, and provides incubation and adult holding facilities for the Hood River Production Program. The facility is adjacent to the Middle Fork of the Hood River. Flooding and debris flows occurred in the Middle Fork during a November 2006 flood that threatened the facility. As a result of these floods, the Middle Fork abandoned its historic channel and started flowing in a newly formed channel closer to the facility. The immediate instability of the area and stream channel aggradation following this historic flood has thought to have increased the potential for the Parkdale Fish Facility to be damaged in subsequent flooding.

As part of the revised Master Plan process, HDR/Fishpro surveyed the area to determine whether the location was suitable for continued use and provide alternatives for protection of the facility. A working group of professional hydrologists / geomorphologists reviewed HDR's report and recommended construction of the berm to protect the facility from future high water events.

The project sponsor requested \$150,000 for berm construction. After submission of the BOG request and BOG meeting, BPA recognized the necessity of work associated with the construction of the berm (realty costs to appraise the neighbor's land and offer an easement). BPA supports the request of \$150,000, plus an additional \$100,000 for BPA realty costs (expected to run about \$35,000) and a potential easement payment (estimated at \$65,000).

Category 3b1

Project Number: 1995-057-00

Project Name: Southern Idaho Wildlife Mitigation

Contractor: Idaho Dept of Fish and Game (IDFG)

BPA-COTR: David Byrnes

Budget Amount: \$130,000 ('08)

Funding Type: Expense

Explanation of need: The Southern Idaho Wildlife Mitigation project is requesting funds to purchase irrigation equipment. Two irrigation pivots need to be replaced to irrigate habitat for wildlife and waterfowl at Deer Parks WMS. Without irrigation, vegetation maintained for habitat would not be available for wildlife and waterfowl. The FY06 budget included funds for replacement of one pivot, but the money had to be moved and used for construction of shop/maintenance facility that was under budgeted from estimates. The second replacement is a hydraulic pivot that no longer can be repaired and parts are unavailable.

BPA supports this request of \$130,000 to purchase 2 irrigation pivots.

Category 3b2

Project Number: 1992-026-04

Project Name: Life Studies of Spring Chinook and Steelhead in Grande Ronde Subbasin

Contractor: Oregon Department of Fish and Wildlife (ODFW)

BPA-COTR: Greg Baesler

Budget Amount: \$158,000 ('08), \$282,400 ('09)

Funding Type: Expense

Explanation of need: The Life Studies of Spring Chinook and Steelhead in Grande Ronde Subbasin project is requesting funds for personnel, fringe, overhead, supplies to continue operating rotary screw traps in the Minam River and upper Grande Ronde River. BPA's funding decision was to fund the project at \$820,000 in FY07, \$656,000 in FY08 and \$557,600 in FY09. Implementing the reductions in funding from '07 levels would compromise experimental design to evaluate the effectiveness of the spring Chinook salmon supplementation program in the Grande Ronde Subbasin. At \$656,000 in FY08, ODFW would not be able to continue to monitor the production of spring Chinook salmon and steelhead smolts from the Minam and upper Grande Ronde rivers to evaluate the success of spring Chinook salmon supplementation in the Grande Ronde subbasin. The upper Grande Ronde River has been supplemented with hatchery-produced spring Chinook salmon since the first adults returned in 2002, and ODFW has been

monitoring the smolt production of spring Chinook salmon since 1993. ODFW has been monitoring the spring Chinook salmon smolt production from the Minam River since 2000. Smolt production and other key life history attributes measured during the supplementation period will be compared to those measured before supplementation in the same stream and also to the reference stream (Minam River) to evaluate the success of supplementation in the Grande Ronde Subbasin.

BPA worked with project sponsor to reduce the scope of proposal between the '06 project period and the '07 project period. BPA supports the continuation of the objectives established in '07 into '08 and '09 budget periods. BPA believes the FY07 budget level of \$820,000 is appropriate for achieving these project objectives in FY08 and 09. This should have been reflected in previous decisions.

However for the '09 budget, there are in lieu concerns identified for the project that need to be resolved if BPA funding levels will remain steady into '09. At this time, BPA supports a \$164,000 budget increase in '08 to hold the project at its '07 funding level and a \$139,400 budget increase in '09, which retains the 15% budget reduction to address in lieu concerns.

Category 3b2

Project Number: 2003-114-00

Project Name: Acoustic Tracking for Survival

Contractor: Kintama Research Corporation

BPA-COTR: Tracy Yerxa

Budget Amount: \$387,397 ('08), \$130,515 ('09)

Funding Type: Expense

Explanation of need: The Acoustic Tracking for Survival project is requesting funds for 2 parts.

- (1) To support the replacement of the listening line at the Astoria Bridge to allow the continuation of estimates of the survival of acoustically tagged Snake & Yakima River smolts in 2008 & 2009. This line is important to enable distinguishing freshwater survival and lower estuary residence from subsequent ocean effects, by sub-dividing survival into two additional segments—from Bonneville Dam to Astoria (freshwater survival below the hydrosystem, or “estuary” survival), and Astoria to Willapa Bay (initial ocean survival). The Astoria Bridge line was a temporary installation supported by non-Program funds. It has since been removed and needs to be replaced with a permanent line that can withstand the rough current conditions at this location.
- (2) To support new measurements that will allow the design of a dual frequency version of the POST array in 2008. A new very small acoustic tag manufactured by Vemco is nearing commercial production. This tag is as small as other commercially available acoustic tags, but operates at a different frequency (180 kHz) intermediate between POST’s current frequency (69 kHz) and that of other small tag systems now in use (300-420 kHz). The critical difference is that this frequency is usable in seawater, and will allow the existing POST array to be extended to allow seamless measurement of movements and survival of fall Chinook, Coho, and sockeye >90~95 mm FL (fork length) in the ocean, and permit direct assessment of the relative role of the ocean and freshwater on survival of smolts smaller than currently possible. The ability to tag and track these smaller fish remains important. Technical means of directly distinguishing between in-river and ocean effects on salmon returns is critical to assess the effectiveness of mitigation strategies and many Columbia River policy decisions.

BPA supports this request.

Project Number: 2008-004-00

Proposal Name: Sea Lion Predation Rate Estimation and Non-lethal Hazing

Sponsor: Columbia River Inter-Tribal Fish Commission

Budget Request: \$302,623 ('08), \$258,000 ('09)

Funding Type: Expense

Explanation of need: This project proposes to conduct non-lethal boat based sea lion hazing in collaboration with Oregon, Washington, and the Corps. Specific methods will include seal bombs, cracker shells, and rubber bullets. Techniques will be consistent with those used in 2006. Hazing would occur for approximately 6 hours per day, 5 days per week. A 3 person crew will be used and consist of a boat operator, a hazer, and a data recorder. Data on each sea lion encounter will be recorded including time / duration of the encounter, species, location, and predation. The proposal also includes adapting video fish counting technology developed to enumerate sea lions and salmon predation. A video system would be deployed to observe river surface activities in measured areas of the river. Software will scan recordings and select times when water surface disturbances are detected. Technicians would then review these time periods and note sea lion presence and predation activities. An additional video system would be deployed within the Corps observation area to evaluate the video system.

BPA supports the hazing component of this proposal at a level (but at a level that may be substantially less than the proposed \$133,340) to be determined through further coordination with CRITFC, Oregon and Washington, NOAA Fisheries, and the Corps, and subsequently in contracting. While it is reasonable to sustain the previous levels of hazing where it is effective (we have concerns about the effectiveness of hazing of California sea lions, though we understand it may be more effective for Steller sea lions), we are unclear of the relationship of the proposed hazing with the ongoing and planned effort of others, and therefore, unprepared to commit to the full expansion in the CRITFC proposal (e.g., their proposed budget for 2008 hazing is for \$133,340 compared to 2007 of approximately \$19,000). BPA does not support the proposed development of the video fish counting technology. This is a complex developmental undertaking that should be further reviewed in context of the overall marine mammal monitoring and evaluation effort as well as through ISRP.

BPA supports work to manage predation of salmon, steelhead, and sturgeon by marine mammals in the Columbia River below Bonneville Dam. In particular, BPA supports work investigating alternatives to lethal take of California sea lions. The newly developing marine mammal predation abatement initiatives need to be consolidated to provide a comprehensive description of both ongoing and newly proposed work by all involved entities, regardless of the source of funds. BPA recommends that a panel discussion or small workshop be held involving the Council, BPA, Corps, NOAA Fisheries, and the ISRP (or ISAB). We also need to better understand the respective roles of various agencies and cost share contributions among all parties.

Project Funding Requests – BPA Not Recommended

Category 3a

Project Number: 2001-028-00

Project Name: Banks Lake Fishery Evaluation

Contractor: Washington Dept. of Fish and Wildlife (WDFW)

BPA-COTR: Greg Baesler

Budget Amount: \$18,500 ('08)

Funding Type: Expense

Explanation of need: The Banks Lake Fishery Evaluation Project requested funding at the October BOG meeting to collect adult Kokanee for otolith mark identification and disease testing for brood stock feasibility. The month of October is the only window of opportunity to collect marked adults for this broodyear. Therefore, the sponsor requested expedited review.

No action is needed as the window for the need has elapsed.

Category 3b2

Project Number: 1997-004-00

Project Name: Resident Fish Stock Status above Chief Joseph and Grand Coulee Dams

Contractor: Washington Department of Fish & Wildlife (WDFW)

BPA-COTR: Lee Watts

Budget Amount: \$45,000 ('08)

Funding Type: Expense

Explanation of need: The Resident Fish Stock project is requesting funds to purchase telemetry equipment as well as additional personnel costs associated with conducting redband trout life history & habitat use studies. WDFW would like to conduct radio telemetry studies of redband trout in Little Spokane River and upper Lake Spokane to: identify spawning areas, migration corridors, and seasonal adult rearing areas and characterize habitat conditions; identify life history diversity and associated habitats.

BPA is not supportive of expanding the scope beyond which has previously been approved.

Category 5

Project Number: 1991-019-01

Project Name: Hungry Horse Mitigation-Flathead Lake

Contractor: Salish & Kootenai Confederated Tribes

BPA-COTR: Cecilia Brown

Budget Amount: \$0, Scope change

Funding Type: Expense

Explanation of need: The Hungry Horse Mitigation-Flathead Lake project is requesting a scope change to reinstate the work element "Remove or Relocate Predaceous Animals" to conduct semi-annual fishing contests. That work element was introduced in the '07-'09 proposal as a critical component of mitigation because predation by lake trout in Flathead Lake is reducing native trout and jeopardizing the full range of mitigation programs designed to benefit native fish. The Tribes have used non-BPA funding to build a rapidly growing program to increase the harvest of lake trout by utilizing the angling public through semi-annual fishing contests. In 2007 these contests generated a harvest of 22,000 lake trout at relatively low cost. The reduction of lake trout in Flathead Lake is critical to bull trout restoration efforts currently being conducted

by the State and the Tribes. No new funds are requested. The contractor would redistribute the existing approved funds from all other WE's to conduct the fishing contests.

BPA sustains its previous decision to not support the fishing derby, consistent with Council's recommendation on June 12, 2007.

Category 5

Project Number: 1994-042-00

Project Name: Trout Creek Habitat Restoration O&M

Contractor: Oregon Department of Fish & Wildlife (ODFW)

BPA-COTR: Jamie Swan

Budget Amount: \$73,452 ('08), \$73,452 ('09)

Funding Type: Expense

Explanation of need: The Trout Creek Habitat Restoration project is requesting funds for fencing equipment, PIT tags for M&E work and additional personnel costs associated with supporting on-the-ground habitat restoration work. BPA funding for this project has been flat lined for the past 5 years. Current funding level will result in limited O&M on existing habitat work and will delay implementation of on the ground projects. Additionally, basin wide and project level M&E data collection will be conducted at a severely reduced level. Several M&E tasks help to assess success for on the ground cooperative projects from Jefferson County SWCD (project # 199802800). This project is in the process of determining the ESA listed fishery population response to a recently installed large scale habitat project along with fishery population response to basin wide ongoing habitat work. Biological data gathered to assess these changes needs to be conducted annually to increase data integrity and will lead to an earlier assessment of population changes and help to determine the degree of success of the various types of habitat work.

BPA sustains our previous decision of a reduced funding level in '08 and '09 to emphasize on-the-ground improvements that provide direct benefit to fish and wildlife.

Category 5

Project Number: 2008-003-00

Proposal Name: Capture, Marking, Hazing and Removal of California Sea Lions at Bonneville Dam

Sponsor: Oregon Department of Fish & Wildlife (ODFW)

Budget Request: \$290,632 ('08), \$250,000 ('09)

Funding Type: Expense

Explanation of need: Under Section 120 of the Marine Mammal Protection Act, ODFW, WDFW and IDFG have requested authority from the Secretary of Commerce (NMFS) to lethally remove individual California sea lions that are having a significant negative impact on threatened and endangered salmonids in the Columbia River below Bonneville Dam. After reviewing the States' request, the NMFS Pinniped Task Force recommended that lethal removal authority be granted. NMFS is currently reviewing the Task Force Report and preparing recommended actions for the States. The ability to capture, permanently mark and identify individual sea lions preying on Salmonids is a prerequisite to lethal removal. Sea lion removal actions are expected to take place over the next 5-6 years.

This proposal requests funds to construct, place and operate sea lion tagging equipment at Bonneville Dam so that predation losses may be reduced through removal of known predatory sea lions. The project will also improve evaluations of the effectiveness of non-lethal hazing through observations of individually marked predators exposed to hazing tactics. Tagging and tracking sea lions in the river below Bonneville Dam will provide additional information on predation losses within 5 miles of the dam, which are currently unavailable.

BPA does not support the requested funding. We have not yet determined what, if any, role we might play in this initiative under Section 120. We are willing to work with Oregon, NOAA Fisheries, and Pacific States Marine Fisheries Commission (PSMFC) to determine if we can be of assistance to enable initiation of the construction of the trap pending availability of NOAA funds later this spring. However, BPA would not be making any monetary commitment toward this activity.

Category 5

Project Number: 2008-005-00

Proposal Name: East Birch Water Association

Sponsor: East Birch Creek Water Association (Art Falk, Land Owner)

Budget Request: \$15,000 ('08)

Funding Type: Expense

Explanation of need: The East Birch Creek Water Association is requesting funds for excavation costs to remove 1,000 cubic yards of stream bed material which in return will re-establish grade level along 825 feet of East Birch Creek to correct width-depth ratio and maintain flows in established stream channel. The overall goal with this project is to contribute to the increased natural production of wild anadromous Salmonids in the Umatilla Subbasin, through improved riparian and fish habitat conditions. The corrected grade level will prevent deposition within existing stream channel and prevent flooding to adjacent private lands. Project allows for side channel flows at bank full events.

BPA does not support this new proposal. The priority of this proposal could be considered within projects 1987-100-01 and 1987-100-02.

Project Funding Requests – Deferred

Category 5

Project Number: 2003-036-00

Project Name: Collaborative Systemwide Monitoring and Evaluation Project (CSMEP)

Contractor: Columbia Basin Fish & Wildlife Authority (CBFWA)

BPA-COTR: Tracy Yerxa

Budget Amount: \$484,000 ('08)

Funding Type: Expense

Explanation of need: The CSMEP project is requesting funds to: analyze/interpret data; develop RM&E methods and designs; produce inventory or assessment; and regional coordination. BPA funded the project at approximately one-half the proposed and recommended level (\$500,000 in FY2008). CBFWA is requesting an additional \$484,000 in order to work on the following tasks:

- Complete detailed strengths and weakness assessments of existing abundance monitoring information for anadromous fish populations above Bonneville Dam that has yet to be assessed by CSMEP.
- Assess and develop alternative status/trend monitoring designs
- Review StreamNet's metadata inventories and Develop (with StreamNet) a protocol to update and maintain the stock viability databases
- Apply CSMEP recommendations within a regional M&E framework

At the current funding level, CSMEP efforts will be limited to completing the on-going analyses and reports.

BPA is sustaining its FY07-09 decision of \$500,000 for FY08. This project is currently under ISRP review. Potential funding in FY09 and beyond will be considered, in coordination with the Council, based on the ISRP review and consideration of FCRPS priorities stemming from the BiOp.

Summary

In summary, the total of expense funding requested in this letter is \$1,064,737 (08) and \$269,915 (09). We believe these projects are consistent with priorities identified during previous Council provincial reviews and/or other BPA and Council discussions.

Please feel free to contact either Greg Dondlinger at 503-230-5065 or me at 503-230-5499 for further information or if you have any questions.

Sincerely,



William C. Maslen
Director for Fish and Wildlife