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January 31, 2008

## MEMORANDUM

**TO:** Council Members

**FROM:** Council Staff

**SUBJECT:** Update on next Project Review Process

Council state and central staff, and Bonneville Power Administration and Columbia Basin Fish and Wildlife Authority staff, have been working for several months on creating a durable project selection process that can be replicated in the future. The concepts are not new. In fact staff has brought these same general concepts to you for consideration beginning in winter of 2006-2007. In addition the ISRP, in their retrospective reports, have recommended many of the same process elements that you will see in the staff presentation. The attached document reflects the principles for how we recommend the Council proceed with project review and selection. The staff working group meets regularly and will continue to refine the process and schedule for Council consideration.

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## **Columbia River Basin Fish and Wildlife Program Project Review Process**

### **A Revised Project Selection Process is needed**

To implement the Council's Fish and Wildlife Program, the Bonneville Power Administration (BPA) and the Northwest Power and Conservation Council (Council) regularly solicit for and review projects to benefit fish and wildlife populations affected by the Federal Columbia River Power System. These processes have taken many forms including program-wide solicitations, rolling provincial reviews, and targeted solicitations. The Council currently has funding recommendations that apply through FY 2009. The Council and BPA are now considering how to most effectively review projects for Program implementation beginning in Fiscal Year 2010 and beyond. Council and BPA staff, with input from Columbia Basin Fish and Wildlife Authority (CBFWA) and Independent Scientific Review Panel (ISRP) staff, have jointly developed the proposed approach described below.

### **A Categorical Approach to Project Review and Selection**

The proposed approach for project review accommodates long-term funding commitments, basin-wide projects, and projects that support subbasin plan implementation priorities. Historically, BPA and the Council have initiated project funding cycles by undertaking a broad project solicitation, but a number of the projects in the Program are longer-term in nature (e.g., hatchery O&M, wildlife habitat maintenance, and some RM&E efforts) or have a programmatic emphasis. Those projects account for over half of program funds. Additionally, the Council has adopted subbasin plans, which identify focal species and limiting factors that could be addressed through geographic and new project reviews. The proposed process will accommodate an appropriate review for all types of projects.

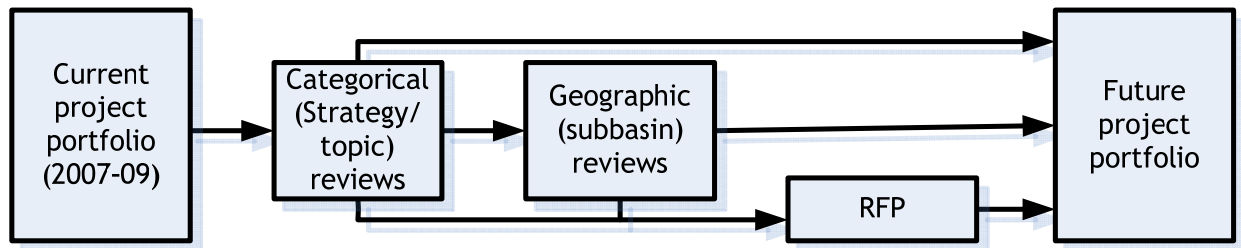
The proposed review structure includes a categorical review (i.e., strategy and topic) for existing projects that are similar in nature and intent. The categorical reviews then inform, and are integrated into, a geographic review (by subbasin and province), and targeted solicitations can be initiated during either review process as when priorities are identified. The categorical review will be used to evaluate and identify existing long-term commitments and provide information to the geographic review. Through the geographic reviews, we will gain an understanding of how long-term commitments (e.g., hatchery and land O&M) fit in a subbasin, and how projects in each subbasin relate to each other and to work undertaken outside of the Program. The geographic review will be structured like the rolling provincial reviews as described in the 2000 Fish and Wildlife Program. Through the two reviews we will identify priorities that could be the focus of targeted solicitations for new work.

This proposed process is responsive to past ISRP recommendations.<sup>1</sup> As the ISRP has recommended, the process will be modeled after the sequential multi-year provincial reviews, with potential alterations to more efficiently address program needs through targeted and topical (wildlife O&M, systemwide RM&E, lamprey, and such) solicitations. Finally, as recommended by the ISRP, longer-term projects may be set on longer funding and review paths with periodic check-ins.

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<sup>1</sup> ISRP Letter to the Council December 2006 (2006-7) [www.nwcouncil.org/library/isrp/isrp2006-7.htm](http://www.nwcouncil.org/library/isrp/isrp2006-7.htm)

### General Flow for Future Project Reviews



#### An Example of the Process

As an example, all artificial production projects will be reviewed together at the categorical *and* geographic review levels (since hatchery programs exist in the subbasins). At the categorical level, the review will compare projects and evaluate cross-cutting issues. The categorical review could result in recommendations for:

- Management modifications based on hatchery purposes and expected outcomes;
- M&E and metrics needed to verify project performance;
- Contributions to a regional research plan – linking priorities with research questions;
- Identification of new priorities, that, the Council and BPA could target with an RFP;
- An administrative path for projects: funding, project duration, and future review sequencing.

This information would then feed into the geographic review process in which further recommendations could be made for the hatchery based on the geographic review. For example, when the hatchery objectives are considered in the context of the habitat, it could be determined that there is insufficient habitat to support the production objectives. Such a determination could result in a recommendation to decrease hatchery production or to focus an RFP on habitat restoration to improve the likelihood of success of the hatchery by addressing the habitat limiting factors.

#### Overarching Principles for the Proposed Project Review Process

1. **Implements BPA’s portion of the Council’s Fish and Wildlife Program** for anadromous fish, resident fish, and wildlife, including subbasin plans and other planning documents associated with the Program.
2. **Allows the flexibility to incorporate BPA’s ESA requirements** and relevant agreements.
3. **Ensures review of projects consistent with the Northwest Power Act, Section 4(h)(10)(D)**, including those identified in the BiOp and long-term agreements.
4. **Establishes a staggered categorical and/or geographic review process.**
5. **Recognizes differences in project types**, specifically those with long-term funding commitments vs. shorter term implementation (e.g., habitat). Each type may be set on different, but integrated, funding and review paths.

6. **Establishes and communicates timelines, processes, expectations, and budget allocations** to provide stability for project sponsors and decision makers.
7. **Incorporates information on non-BPA funded** fish and wildlife work taking place.
8. **Focuses on program performance** by linking program spending with limiting factors
9. **Increases transparency and accountability of project** deliverables, durations, reporting requirements, performance metrics, and expectations.
10. **Develops unified recommendations/decisions** from the Council and Bonneville by jointly formulating and managing the review processes, working through areas of disagreement, and developing joint staff work products for Council and BPA-management consideration.

## **Roles and Responsibilities**

1. **The Northwest Power and Conservation Council and Bonneville Power Administration.** The Council and BPA jointly establish project review objectives and selection processes (including categorical and geographic reviews); establish mechanisms for gathering regional input into processes and funding priorities and resolve any disputes between various project recommendations; develops unified recommendations/decisions. In addition the Council manages the implementation of local reviews and ensures consistency between geographic reviews; and BPA provides reporting information on project performance (e.g., PISCES), conducts *in lieu* reviews, and implements decisions.
2. **Fish and wildlife managers.** The process will include participation of the fish and wildlife managers in the process planning phase. They will assist in developing project selection criteria, integrating existing fish and wildlife management plans, and updating biological information in the subbasin plans. The process will also solicit the input of managers to help ensure that proposed projects address key limiting factors, and provide information on project linkages to fish and wildlife benefits and management priorities.
3. **Action Agencies.** The action agencies will be asked to provide information on projects needed to implement ESA responsibilities, including proposed projects and mitigation actions implemented outside the BPA direct funded program that relate to the Program.
4. **Local review groups.** The process will invite local participation in the development and coordination of geographic reviews, and rely on the groups to provide information on habitat project priorities (existing and future), feasibility of implementation, and information on the other non-BPA funded fish and wildlife activities taking place in the subbasin.
5. **Independent Scientific Review Panel.** The ISRP will review new and existing projects to determine if the projects are based on sound science, benefit fish and wildlife, include provisions for monitoring and evaluating results, and are consistent with the program. The ISRP will also provide scientific insight into specific scientific questions raised in categorical and geographic reviews.