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Rhonda Whiting
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Melinda S. Eden
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Joan M. Dukes
Oregon

April 3, 2008

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Mark Fritsch, project implementation manager

SUBJECT: Quarterly Review of Within-year Project Funding Adjustments for Implementation

PROPOSED ACTION

At your meeting in April, Council staff will review the schedule and timeframe associated with the funding adjustment requests for the second quarter of Fiscal Year 2008. This agenda item will be for review and discussion only and no committee action is requested. After an opportunity for comment, these requests will come back to the committee and Council for a decision at the May meeting.

BACKGROUND

The Bonneville Power Administration, the Council, and the Columbia Basin Fish and Wildlife Authority have formed a budget oversight group (BOG) to conduct a budget tracking process. A principle role of the BOG is to validate whether the requests are a reschedule or within-year request (i.e., scope change, budget change, scope/budget change, reschedule, and new request) and to place the within-year requests into one or more of the sorting categories (1-5). Reschedules are forwarded to Bonneville for assessment and funding as funds become available, and within-year requests are also forwarded to Bonneville for recommendation on the availability of funds as identified at the quarterly reviews.

The BOG uses the quarterly reviews to initiate a prioritization process to establish which budget adjustment requests can be met with the available funding in the current fiscal year project budget. This process also includes a public comment period.

On April 2, 2008, the Council received a letter from Bonneville summarizing the within-year requests being considered during the second quarter of Fiscal Year 2008 (see Attachment 1).

Of the 18 requests reviewed by the BOG during the second quarter of Fiscal Year 2008, 12 requests will need a decision in May. As outlined in the attached table (see Attachment 2), the remaining six requests were (i.e., BOG Management action) or will be addressed through other actions (i.e., step review) or were denied by BOG.

The requests are categorized by category (1 - 5) per the BOG review. Based on staff review and comment received, the staff will bring to the committee and the Council a recommendation at the May meeting.

Attachment 1: Letter received on April 2, 2008 from Bonneville regarding within-year funding adjustments associated with the Quarterly Review.



Department of Energy

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

ENVIRONMENT, FISH AND WILDLIFE

April 2, 2008

In reply refer to:

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 recently conducted the Fiscal Year (FY) 2008 second quarterly reviews of within-year budget and/or scope modification requests. Through this process, we are now initiating the 14-day public comment period on these requests. Bonneville Power Administration (BPA) will consider any public comments received by April 14, before developing our tentative decisions which will be discussed at the May Northwest Power and Conservation Council (Council) Meeting. BPA is providing a synopsis of all requests by the sponsors below.

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.

Project Funding Requests

Category 3a

Project Number: 2007-212-00

Project Name: Locally Adapted Steelhead Broodstock – Step 1

Contractor: Colville Confederated Tribes

BPA-COTR: David Roberts

Budget Amount Requested: \$16,507

Funding Type: Expense

Explanation of need: The Locally Adapted Steelhead Broodstock project is requesting additional funds to include engineering feasibility and conceptual cost estimates of acclimation site(s) and to assess the feasibility and costs for alternatives (weirs) to collect and sort adult summer steelhead at Zosel Dam. This is critical to include in the initial Step 1 master plan. This information will likely be requested by the Council or ISRP during the review of the first step of the 3-step process. Secondly, the sponsor has recognized that evaluation of removal or excluding hatchery-origin fish from entering the upper reaches of the Okanogan River basin would need to be assessed. Collecting this information in the Step 1 process will prevent delays in proceeding with Step 2. The sponsor determined after the start of developing the Step 1 Master plan that this information was critical to investigate during initial feasibility. Not collecting this information will likely add costs to the overall project by extending the assessments of acclimation sites and excluding hatchery-origin steelhead from upper reaches of the Okanogan River basin.

Category 3a

Project Number: 2007-003-00

Project Name: Dworshak Dam Resident Fish Mitigation

Contractor: Idaho Department of Fish & Game

BPA-COTR: David Kaplowe

Budget Amount Requested: '08/\$55,000, '09/\$55,000

Funding Type: Expense

Explanation of need: The Dworshak Dam Resident Fish Mitigation project is requesting additional funds for bi-monthly limnological nutrient analysis. The original monitoring plan for the Dworshak Reservoir nutrient enhancement project as written in the FY 07-09 solicitation proposal included a sampling frequency of twice per month during the first year of application (2007) and once per month for 2008 and 2009.. The higher sampling frequency in 2007 was designed to ensure proper administration of fertilizer based on actual ecological response. At the completion of the 2007 field sampling it was recommended by Dr. John Stockner (USACE's nutrient enhancement contractor) to maintain the bi-monthly sampling and subsequent analysis in years two and three (2008 and 2009).

Several other factors have also necessitated continuation of the bi-monthly sampling: detect natural variation in reservoir conditions which monthly sampling most certainly misses; maintain the ability to fine tune weekly reservoir treatments in light of conditions on time scales shorter than a month; and provide critical real time data that directs the subsequent application schedule to ensure the project remains in compliance with water quality standards identified by both Idaho DEQ and the Environmental Protection Agency..

Category 3a

Project Number: 1983-435-00

Project Name: Umatilla Hatchery O&M/CTUIR

Contractor: Confederated Tribes of the Umatilla Indian Reservation

BPA-COTR: Jonathan McCloud

Budget Amount Requested: 08/\$65,000

Funding Type: Expense

Explanation of need: The Oregon Water Resources Department (OWRD) contacted BPA in regard to water rights at hatchery and acclimation facilities. In order to finalize water rights at these facilities a Claim of Beneficial Use (COBU) permit must be performed and submitted to the OWRD by a Certified Water Rights Examiner (CWRE). BPA is requesting funds to contract a CWRE to perform the COBU permit process. Not implementing the modification will risk loosing the water right at these facilities. This will jeopardize the ability of BPA funded hatchery and acclimation facilities to operate which would ultimately lead to goals and objectives identified in their Hatchery Master Plans not being met.

Category 3a

Project Number: 2007-402-00

Project Name: Snake River Sockeye Captive Program

Contractor: Shoshone-Bannock Tribes

BPA-COTR: Greg Baesler

Budget Amount Requested: 08/\$19,500

Funding Type: Expense

Explanation of need: The Snake River Sockeye Captive project is requesting additional funds for a field laptop, repair nets and for limnological sampling gear to fulfill limnology sampling commitments. The current equipment has exceeded its usual lifespan and is so outdated that no one is able to fix it if it were to fail. This sampling is necessary to comply with ID Dept. of Environmental Quality permit issued for the nutrient enhancement portion of this project. Data

collected with this equipment is also used to estimate nursery lake carrying capacities and make stocking recommendations for progeny from the captive broodstock program.

Category 3a

Project Number: 2007-318-00

Project Name: UPA Knapp-Wham Hanan Detwiler

Contractor: Cascadia Conservation District

BPA-COTR: Cecilia Brown

Budget Amount Requested: \$40,425

Funding Type: Expense

Explanation of need: The Knapp-Wham and Hanan Detwiler irrigation project is requesting additional funds to cover the expense difference between an initial budget estimate prepared when the project was approved and more recent estimated costs to complete the project. The original 2005 proposal was for \$312,885, which included drilling ten wells and necessary piping connections. The initial RFP and resulting low bid was limited to developing only the ten wells and cost \$311,885. The CCD is now preparing an RFP for the remaining pipe connection portion of the project. The CCD has determined that the estimated cost for the additional piping connections will be about \$42,000. Given the available balance in the project budget, the CCD is requesting an additional \$40,425 to proceed with the bid package for the piping connections. This portion of the project is a critical and a necessary element in order for the project to take place. If piping can not be connected to the wells consolidation of the two irrigation systems will not take place. The biological objectives for the project will not be met.

Category 3b2

Project Number: 1988-108-04

Project Name: StreamNet (CIS/NED)

Contractor: Pacific States Fisheries Commission

BPA-COTR: John Piccininni

Budget Amount Requested: '08/\$357,450, 09/\$647,975

Funding Type: Expense

Explanation of need: The StreamNet Project is requesting additional funds for 3 parts:

Option A: Restore parity with previous project capability in order to provide full data delivery and updates as in past years. Data delivery in eastern Washington and in some Oregon subbasins has been lost due to decreased staffing from ongoing level funding, and additional funds would restore that capability to meeting the objective of providing standardized and geo-reference fish data for anadromous Salmonids. (FY 2008: \$153,800, FY 2009: \$240,675)

Option B: Extend data development work to all focal species in addition to the traditional anadromous Salmonids. This will include all normal data categories for these species. The objective is to provide data to the Status of the Resource report for all focal species and provide access to those data through the StreamNet online data query system. (FY 2008: \$88,650, FY 2009: \$177,300)

Option C: Provide assistance to tribes to help develop tribal data management capabilities and to acquire tribal fish data for inclusion in the StreamNet database. This will include the types of

data routinely included in StreamNet. The objective is to provide staff assistance, planning and infrastructure development to facilitate data flow. (FY 2008: \$115,000, FY 2009: \$230,000)
Note: The amount requested for FY 2008 may be reduced due to the limited time available to modify the contract and complete the work before the end of the FY. The StreamNet contract year ends September 30.

Category 3b2

Project Number: 2003-072-00

Project Name: Habitat and Biodiversity Information System for Columbia River Basin

Contractor: Northwest Habitat Institute

BPA-COTR: John Piccininni

Budget Amount Requested: '08/\$165,625, '09/\$321,500

Funding Type: Expense

Explanation of need: The Habitat & Biodiversity Information System Project is requesting additional funds for 3 parts: (1) completing baseline support to NHI's existing IBIS information system; (2) additional mapping to meet the needs of subbasin planning, high level indicators, and the Status of the Resource Report; (3) develop additional wildlife, habitat, and GIS tools and services (e.g., supporting the NED Portal, creating a Wildlife Data Collection Tool on the Internet, and organizing a GIS repository from lessons learned from subbasin planning, and (4) develop methodologies to assess operational losses due to hydropower development (initially for BPA Project 200201100 – Kootenai Floodplain Operational Loss Assessment).

Note: The amount requested for FY 2008 may be reduced due to the limited time available to modify the contract and complete the work before the end of the FY. The NHI contract year ends September 30.

Category 3b2

Project Number: 1993-060-00

Project Name: Select Area Fishery Evaluation

Contractor: Oregon Department of Fish & Wildlife

BPA-COTR: Tracy Hauser

Budget Amount Requested: 08/\$43,838

Funding Type: Expense

Explanation of need: The SAFE project is requesting additional funds for fish production costs associated with mass marking and coded wire tag costs. Since the original proposal was established in 2005, prices have increased.

Category 5

Project Number: 2003-054-00

Project Name: Reproductive Success of Steelhead in the Hood River

Contractor: Oregon State University

BPA-COTR: Tracy Hauser

Budget Amount Requested: \$0, scope change

Funding Type: Expense

Explanation of need: The Reproductive Success of Steelhead in the Hood River is proposing a change of scope of currently-funded work. OSU is currently genotyping Hood River steelhead with micro-satellite loci, and using the resulting pedigree data to estimate the relative fitness of hatchery and wild fish. That work would continue, but at the same time shifting some personnel time and supplies resources to collect preliminary information on the feasibility of using new Genetic techniques to determine which genes are responding to selection in hatcheries. Having that knowledge should eventually lead to understanding what it is about hatcheries that causes hatchery fish to have such low fitness, and thus may lead to ways to improve hatchery culture methods. This change in scope can be done within the scope of our current FY08 budget, and without derailing the aims of the original project.

Category 5

Project Number: 1991-078-00

Project Name: Burlington Bottoms Wildlife Mitigation

Contractor: Oregon Department of Fish & Wildlife

BPA-COTR: Dorie Welch

Budget Amount Requested: 08/\$27,283, '09/\$27,283

Funding Type: Expense

Explanation of need: The Burlington Bottoms Wildlife Mitigation project is requesting additional funds to meet the project's goals and ongoing operation and maintenance needs. Continued increases in personnel costs (salary and benefits) and overhead rates have reduced the effectiveness of the existing budget and will result in a reduction in the FY08- 09 scope of work that could negatively impact the habitat and habitat units associated with the Burlington Bottoms property. Specifically, there will be a reduction in the following: the removal of non-native invasive plant species like Japanese knotweed and Himalayan blackberry and the planting of native species to increase the biological diversity of targeted areas and limit the spread of invasive plant species. In addition, there may be insufficient funding for supplies, tools, and repair of equipment necessary for enhancement as well as O&M activities.

Category 5

Project Number: 2000-021-00

Project Name: Ladd Marsh Wildlife Mitigation Project

Contractor: Oregon Department of Fish & Wildlife

BPA-COTR: Joe DeHerrera

Budget Amount Requested: 08/\$23,750, '09/\$23,750

Funding Type: Expense

Explanation of need: The Ladd Marsh Wildlife Mitigation project is requesting additional funds to meet the project's goals and ongoing operational needs. Operational and personnel costs have increased significantly over the period of the project which has reduced the effectiveness of the existing budget. The specific effects on the proposed modification on each Work Element are: *Outreach and Education:* Staff will be able to respond to more requests for tours and educational presentations. *Maintain Vegetation:* More chemical will be purchased and greater area will be treated for noxious weeds. *Collect/Generate/Validate Field and lab Data:* Staff will have the opportunity to complete planned vegetation and other surveys. *Analyze/Interpret Data:* Field data collected will be more thoroughly collated and analyzed. *Operate and Maintain Habitat/Passage:* Water control structures will be maintained in working order to keep water free-flowing. *Provide Access and Public Information:* Create and post signs at access points to

inform the public of access and use regulations. *Produce Annual Report:* Produce a thorough report of project activities during the previous fiscal year. *Manage and Administer Projects:* Complete reporting and annual budget package. Learn changes in newer versions of Pisces. *Status Reports:* Complete timely status reports in Pisces.

Category 5

Project Number: 2002-059-00

Project Name: Yankee Fork Salmon River Restoration

Contractor: Shoshone-Bannock Tribes

BPA-COTR: Jan Brady

Budget Amount Requested: '08/\$252,700

Funding Type: Expense

Explanation of need: The Yankee-Fork Salmon River Restoration project is requesting additional funds to plan and design a natural channel restoration in a stretch of the Yankee Fork Salmon River degraded from dredge mining, to restore the floodplain and stream to sustain aquatic habitat for Chinook salmon and Steelhead. During FY07, tribal biologists completed LiDAR and aerial photography of the study area as well as a completing preliminary survey of potential habitat restoration sites in a six mile stretch of the degraded river. The goals for FY08 are to design a set of restoration alternatives that best meet the success criteria developed through extensive meetings with area stakeholders, and select a preferred alternative in a collaborative process with the stakeholder group. In addition to securing BPA funds, the Tribe expects to receive in-kind assistance from the Portland office of the NRCS. This request is a step submittal and conditioned on an ISRP review.

Category 5

Project Number: 2007-127-00

Project Name: East Fork/South Fork Salmon River Passage Restoration

Contractor: Nez Perce Tribe

BPA-COTR: David Kaplowe

Budget Amount Requested: \$0/Scope change

Funding Type: Expense

Explanation of need: The East Fork/South Fork Salmon River Passage Restoration project is proposing a change in scope and an expansion of the geographic area in which to complete project work. Due to the extended delay in the issuance of the Biological Opinion, the East Fork of the South Fork Salmon River Passage Restoration project did not begin in fiscal year 2007 as originally proposed and approved. As a result, the private landowner entered into a lease to purchase agreement with a gold mining company that will begin determining the feasibility of re-initiating mining activities.

Since steelhead, spring chinook and bull trout passage can not currently be restored through the old Stibnite Mine Site due to lack of landowner consent, the Nez Perce Tribe and Forest Service have proposed several other high priority habitat restoration actions in the watershed to meet or exceed the biological benefits to the corresponding population groups.

Instead of restoring fish passage through the former mine site using a natural step pool configuration, reconnecting the floodplain, re-vegetating the riparian area and increasing in-stream habitat complexity within one small area of the watershed, the NPT and USFS are

proposing to replace two culverts, reconnect floodplains, re-vegetate riparian areas, increase in-stream habitat complexity and decommission roads within the entire South Fork Salmon watershed. This request therefore represents an increase in geographic area due to the loss of landowner consent in one small area.

Summary

In summary, the total expense funding requested by project sponsors is \$2,142,586; the total of capital funding requested is \$0. Please feel free to contact either Greg Dondlinger at 503-230-5065 or me at 503-230-5549 for further information or if you have any questions.

Sincerely,

William C. Maslen
Director of Fish and Wildlife

cc: (Electronic mail)

Mr. Mark Fritsch, Northwest Power and Conservation Council
Ms. Patty O'Toole, Northwest Power and Conservation Council
Mr. Karl Weist, Northwest Power and Conservation Council
Ms. Stacy Horton, Northwest Power and Conservation Council
Ms. Joann Hunt, Northwest Power and Conservation Council
Mr. Kerry Berg, Northwest Power and Conservation Council
Mr. Brian Lipscomb, Columbia Basin Fish and Wildlife Authority
Mr. Tom Iverson, Columbia Basin Fish and Wildlife Authority
Mr. Binh Quan, Columbia Basin Fish and Wildlife Authority

Attachment 2. Within-year project funding adjustments received as part of the first quarter of Fiscal Year 2008.

Category	Project #	Project Title	Sponsor	FY 2008 Budget (BPA)	Request 2008/2009	Status
3a						
	2007-212-00	Develop a locally-adapted summer steelhead program to supplement natural production	CCT	\$0	\$16,507	May Decision
	2007-003-00	Dworshak Dam Resident Fish Mitigation Project	IDFG	\$160,000	\$55,000/ \$55,000	May Decision
	2007-402-00	Snake River Salmon Sockeye Captive Propagation	SBT	\$2,276,112	\$19,500	May Decision
	2007-318-00	Entiat River - UPA - Knapp-Wham Hanan Detwiler Irrigation System Consolidation Project	Cascadia Conservation District	\$10,000	\$40,425	May Decision
	1983-435-00	Umatilla Satellite Facilities O&M	BPA	\$915,798	\$65,000	May Decision
3b1						
	1995-013-00	Resident Fish Substitution Program	NPT	\$200,000	\$23,000	Addressed 2/21/08
3b2						
	2003-072-00	Habitat and Biodiversity Information System for the Columbia River	Northwest Habitat Institute	\$157,831	\$165,625/ \$321,500	May Decision
	1988-108-04	StreamNet	PSFMC	\$2,326,033	\$357,450/ \$647,975	May Decision
	1993-060-00	SAFE	ODFW	\$1,800,000	\$43,838	May Decision
5						
	2003-054-00	Reproductive success of steelhead in the Hood River	Oregon State University	\$277,000	\$ 0	May Decision
	1995-060-01	Iskuulpa Watershed Project	CTUIR	\$155,000	\$20,000	1/17/08 approved
	2007-127-00	Reestablish Connectivity and Restore Fish Habitat in the East Fork of the South Fork Salmon River Watershed	NPT	\$391,360	\$ 0	May Decision
	2006-014-00	Hatchery Scientific Review Group	NPCC/BPA	NA	\$1,300,000	Addressed 12/17/08
	2002-059-00	Yankee Fork Salmon River Dredge Tailings Restoration	SBT	\$0	\$252,700	Under Step Review
	2000-021-00	Securing Wildlife Mitigation Sites - Oregon Ladd Marsh WMA and Grande Ronde Subbasin Wetlands	ODFW	\$48,000	\$23,750/ \$23,750	May Decision
	1991-078-00	Burlington Bottoms Wildlife Mitigation Project	ODFW	\$100,445	\$27,283/ \$27,283	May Decision
	1996-042-00	Restore and Enhance Anadromous Fish Populations and Habitat in Salmon Creek	CCT	\$379,938	\$ 0	BOG Denied
	1987-127-00	Non-federal Smolt Monitoring Program	Fish Passage Center	\$2,239,753	\$ 0	Withdrawn by sponsor

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