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Chair
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Oregon

Joan M. Dukes
Oregon

July 1, 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 July, Council staff will review the schedule and timeframe associated with the funding adjustment requests for the third 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 August 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.

Of the eight requests reviewed by the BOG during the third quarter of Fiscal Year 2008, four requests will need a decision in August. As outlined in the attached table (see Attachment 2), the

remaining four requests were either emergency actions, withdrawn by the sponsor or a corrective action. None of the requests triggered the recently adopted adjustments to the budget-tracking process (e.g., threshold).

On June 30, 2008, the Council received a letter from Bonneville summarizing the within-year requests being considered during the third quarter of Fiscal Year 2008 (see Attachment 1).

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 August meeting.

Attachment 1: Letter received on June 30, 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

June 30, 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 third 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 July 18, before developing our tentative decisions which will be discussed at the August 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 3b1

Project Number: 1996-094-01

Project Name: Scotch Creek Wildlife Area

Contractor: Washington Department of Fish & Wildlife (WDFW)

BPA-COTR: Joe DeHerrera

Budget Amount: 09/\$93,596

Funding Type: Expense

Sponsor's explanation of need: The Scotch Creek Wildlife Area project is requesting additional funds for O&M costs associated with the Eder Property purchased in 2007. The Scotch Creek Wildlife Area Manager is responsible for this unit and will develop a new state management plan for operations, future habitat enhancements and maintenance of the area. The beginning stages of conversion from private to public lands requires a large amount of work to provide access, post regulations, repair or remove fencing, survey and post boundary lines, survey wildlife and vegetation, develop the management plan, create a SOW and begin the long process of habitat restoration. Specific activities include: Weed Control (materials, labor, ATV and equipment); Boundary Survey; purchase vehicle for Assistant Manager; and overhead. All these activities are especially needed at the beginning of public land ownership. The current O&M budget has sufficient funds to cover the current 3000 acres, but not the additional 3300 acres (Eder Property).

Category 3b2

Project Number: 1990-080-00

Project Name: Columbia Basin PIT Tag Information System (PTAGIS)

Contractor: Pacific States Marine Fisheries Commission

BPA-COTR: Jan Brady

Budget Amount: '08/\$122,315, '09/ \$122,315

Funding Type: Expense

Sponsor's explanation of need: The Columbia Basin PIT Tag Information System (PTAGIS) project is requesting additional funds for 3 parts identified below. The scope of this project includes providing for the long-term operations and maintenance of the PIT tag mark, release, and recovery database; the operations and maintenance of PIT tag interrogation systems located at FCRPS facilities, Bureau of Reclamation. facilities and ancillary facilities as approved by the PIT Tag Steering Committee. The region's dependence and increased use of PIT tag technology in 'non-traditional' applications requires modernization of systems and processes that have served the basin well for over fifteen years. Today, it is expected to support a variety of 'non-traditional' interrogation sites using the same infrastructure that was originally developed to support the traditional model deployed at FCRPS locations. Therefore the following changes to scope and funding are requested:

- (1) An additional database management system specialist at PTAGIS headquarters to work on overall database management system administration functions, which include developing new infrastructure to support the 'non-traditional' interrogation system applications.
- (2) Consulting resources to assist in the deployment of the new "M4" framework specifically with respect to providing the interface between the remote client data collection users and the central PTAGIS database system.
- (3) By adding an additional database management specialist, participate in the regional data management workshops (PNAMP) and other on-going forums.

Category 4

Project Number: 1992-068-00

Project Name: Willamette Basin Wildlife Mitigation Project

Contractor: Oregon Dept. Fish & Wildlife (ODFW)

BPA-COTR: Dorie Welch

Budget Amount: '08/\$414,000

Funding Type: Capital

Sponsor's explanation of need: The Willamette Basin Wildlife Mitigation Project is requesting additional funds associated with acquiring two additional conservation easements. *Zena Addition A* (190 acres) and *Zena Addition B* (160 acres) are both immediately adjacent to the Zena property located in the Willamette Valley. The conservation easement (CE) will encumber the entire property; management and restoration activities will coincide with the Zena management plan and will mitigate for fish and wildlife habitat. Combined with the Zena acquisition that occurred in FY2007, the conservation easements on these two properties will create 1816-acre block of habitat that is protected for fish and wildlife, one of the largest blocks of protected lands in the central Willamette Valley.

The appraisal price for the combined conservation easements is estimated at \$1,500,000. There is a balance of \$86,000 remaining in the FY08 budget, and an additional \$1,000,000 of this cost was requested as a preschedule from '09. Therefore this request covers the balance of \$414,000.

Category 4

Project Number: 2007-260-00

Project Name: Upland Prairie/Oak Acquisition

Contractor: The Nature Conservancy

BPA-COTR: Dorie Welch

Budget Amount: 08/\$1,000,658

Funding Type: Capital

Sponsor's explanation of need: The Upland Prairie/Oak Acquisition project is requesting additional funding to execute its Purchase and Sale Agreement to acquire title to the 272-acre Neilsen Trust property. Successful acquisition of this parcel will create the first permanently protected Fender's blue butterfly and Kincaid's lupine population in Yamhill County and represent a substantial step towards recovery of both species in the northern recovery zone. Failure to achieve successful acquisition will represent a loss of opportunity for the largest and healthiest known population of Fender's blue butterfly in the northern Willamette Valley. This request can also be executed in FY2009.

Summary

In summary, the total expense funding requested by project sponsors is \$338,226; the total of capital funding requested is \$1,414,658. 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 third quarter of Fiscal Year 2008.

Category	Project #	Project Title	Sponsor	FY 2008 Budget (BPA)	Request 2008/2009	Status
1	1998-010-05	Pittsburg Landing Fall Chinook Acclimation Facilities	NPT	\$729,635	\$18,500	Addressed 3-18-08
3b1						
	1996-094-01	Scotch Creek Wildlife Area	WDFW	217,092	\$93,596 ('09)	August decision
3b2						
	1990-080-00	Columbia Basin PIT Tag Information System	PSMFC	2,431,000	\$122,315/ \$122,315	August decision
4						
	1992-068-00	Willamette Basin Wildlife Mitigation Project	ODFW	\$694,143 expense / \$3,900,000 capital	\$414,000 (capital)	August decision
	2007-260-00	Acquisition of a Conservation Easement over 1084 acres of Upland Prairie and Oak Habitat, Willamette Subbasin	TNC	\$10,000 (expense)	\$1,000,658 (capital)	August decision
5						
	1997-013-25	YKFP Maintenance of Roza Adult Trap Facility - 1997-013-25	BPA	\$2,666,666	\$10,000/ \$10,000	Addressed 4-9-08
	2008-007-00	UCUT M&E Program	UCUT	NA	\$42,914	Withdrawn by sponsor
	1990-018-00	Lake Roosevelt Habitat Improvement Project	CCT	\$649,533	\$20,221	Addressed 6-17-08, preschedule from '09 as part of the CBFA ¹

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¹ Columbia Basin Fish Accord (CBFA).