Northwest Power and Conservation Council

August 27, 2009

DECISION MEMORANDUM

TO: Council members

FROM: Council Staff

SUBJECT: Follow-up action for the Wildlife Category Review: Southern Idaho Wildlife Mitigation Projects, Project #1995-057-00 and #1995-057-01.

PROPOSED ACTION: Council staff recommends funding two Idaho Fish and Game, Southern Idaho wildlife mitigation projects (project1995-057-00 and 1995-057-01) as part of the wildlife category review.

SUMMARY OF RECOMMENDATION

Staff recommends funding the Idaho Department of Fish Game (IDFG) Southern Idaho Wildlife mitigation projects under the following planning budgets and qualifications. The recommendation is a not-to-exceed the planning budget and does not assume any cost savings that Bonneville achieves in contracting. All expectations associated with funding recommendation and programmatic wildlife issues identified and described in the Council decision document to Bonneville dated July 15, 2009 (Attachment 1) apply to the two projects as part of the recommendation.

Project #1995-057-00

- *Expense*: Five-year expense planning budget (FY2010-FY2014) not to exceed $3,210,610 (annual average of $642,122) (Table 1).
- *Capital:* One-year capital budget not-to-exceed the planning budget for FY2010 at $2,500,000 for new acquisitions. (Table 1)
- *Programmatic issues:* Programmatic issues described in the Council's Wildlife Category Decision memo dated July 15th, still apply (Attachment 1). Specific issues associated with this project include but are not limited to issues 7, 8, and 10 (Table 2).
- *ISRP qualification:* Sponsor must address ISRP qualification in the next review (See ISRP document 2009-17)

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Project #1995-057-01

- *Expense:* Five-year expense planning budget (FY2010-FY2014) not to exceed $475,665 (annual average of $95,133). (Table 1)
- *Programmatic issues:* Programmatic issues described in Council Wildlife Category Decision memo dated July 15th, still apply (Attachment 1). Specific issues associated with this project include but are not limited to issues 8 and 10 (Table 2).
- *ISRP qualification*: Sponsor must address ISRP qualification in the next review (See ISRP document 2009-17)

Table 1. Summary of Funding Recommendations

Project ID	BPA SOY FY10	IDFG proposed expense per year for 5 years (average)	Staff recommended expense planning per year for 5 yrs (average)*	Possible programmatic cost savings	BPA SOY CAP FY2010 (one year)	IDFG proposed capital for three years total	Staff capital FY 2010 Total
199505700	$422,260	$1,051,122	$642,122	($0-$108,000) for three years plus ($0-$215,000) for FY 2010	$2,500,000	$4,500,000 ($1.5m/year)	$2,500,000
199505701	$22,154	$495,133	$95,133	($0-$54,843) for three years	$0	$4,500,000	$0

*The not-to-exceed planning budgets do not assume any cost savings achieved by Bonneville in contracting. Staff recommends removing $400,000 per year for non-capital acquisitions as proposed by IDFG; which is reflected in the staff recommendation above.

Table 2. Summary of Programmatic Issues

Project ID	Programmatic issues, other recommendations and comments
199505700	• Council staff concurs with Bonneville's FY 2010 capital budget for this project for one year based on ongoing discussions that may influence future actions. A one-year recommendation will not preclude future capital funding recommendations for the out-years (FY2011-2014). • Programmatic Issues No. 7 – Equipment/facilities purchase and replacement; No. 8 – Regional Coordination Funding; and No. 10 – Cost of Living and other funding request increases. • The "possible programmatic cost savings" addressed in Table 1. Include Regional Coordination Funding and a one-time cost associated with a maintenance/shop/office facility. • Sponsor to address ISRP qualification in next review cycle and should be noted in Bonneville's performance tracking processes.

199505701	• Council staff concurs with Bonneville's FY 2010 capital budget for this project based on our understanding that this project is intended for expense funds associated with Operations and Maintenance and administrative support for Southern Idaho Wildlife Mitigation implementation. • Programmatic Issues include No. 8 – Regional Coordination Funding; and No. 10 – Cost of Living and other funding request increases. • The "possible programmatic cost savings" addressed in Table 1 include Regional Coordination Funding. • Sponsor to address ISRP qualification in next review cycle and should be noted in Bonneville's performance tracking processes.

BACKGROUND

On July 16, 2009 the Council recommended that Bonneville fund 34 projects in the Wildlife Category Review for fiscal years 2010 - 2014. Two IDFG Southern Idaho Wildlife mitigation projects did not meet scientific criteria as originally proposed and therefore were not recommended for funding in July with the other 34 projects. Since then, the proposals were reworked and resubmitted to the ISRP for review, and now both projects meet scientific criteria with qualifications (see ISRP's final review at http://www.nwcouncil.org/library/isrp/isrp2009-31.htm).

The Southern Idaho Wildlife Mitigation project (SIWM) implements wildlife mitigation in the Middle and Upper Snake River in coordination with the Shoshone Bannock Tribes and the Shoshone Paiute Tribes. The SIWM project is divided between the Mid[1] and Upper Snake[2] Provinces and secures habitat protection through purchase and conservation easements. In addition, project funds are provided for operation and maintenance activities that protect and enhance habitat values associated with the acquisitions.

ANALYSIS

On June 30, 2009 the Council received a response from the IDFG intended to address the issues and concerns raised by the ISRP (ISRP Document 2009-17) as part of its review of proposals submitted for the Wildlife Category Review. The response included a rewritten proposal for the Middle and Upper Snake Southern Idaho Wildlife Mitigation proposals.

On July 24, 2009 the ISRP provided a final review of the two proposals (ISRP Document 2009-31). The ISRP found that the proposals meet scientific review criteria (qualified).

The qualifications from the ISRP are directed at future scientific reviews for these projects to ensure that they include reviews of recent literature and monitoring data supporting proposed biological O&M activities (e.g., weed treatments, plantings, not fences). In addition, the future

[1] Project #1995-057-01, Southern Idaho Wildlife Mitigation - Middle Snake
[2] Project #1995-057-00, Southern Idaho Wildlife Mitigation - Upper Snake

proposals also should provide more information on weed-control methods on the different parcels associated with these projects as well as presentation of results to date from ongoing weed-control activities and some proof that the information is incorporated into the weed-control programs.

Council and Bonneville staffs reviewed the proposals for issues that are either programmatic or project-specific. As was found with the previous 34 wildlife projects recommended in July 2009, some issues will result in adjustments to individual projects while others may be addressed in a larger regional forum.

The IDFG requested $400,000 additional expense funding per year per project to secure acquisitions not eligible/qualifying for use of capital funds under Bonneville's capital budget policy. This request to use expense funds in this manner is unique in the wildlife categorical review for an undermitigated area. In addition, Bonneville's capital policy allows for the grouping of related properties to meet the capitalization criteria; therefore Council staff does not recommend this additional expense funding.

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Attachment 1

July 15, 2009

DECISION MEMORANDUM

TO: Council members

FROM: Council Staff

SUBJECT: Fish and Wildlife Committee Recommendations for Projects in the Wildlife Category Review

PROPOSED ACTION: Fish and Wildlife Committee Funding Recommendations for 34 projects in the Wildlife Category Review that met scientific criteria.

SUMMARY OF RECOMMENDATIONS

The Fish and Wildlife Committee (Committee) asks the Council to approve recommendations on 34 of the 36 wildlife proposals submitted for the wildlife category review. The 34 projects were reviewed by the Independent Scientific Review Panel (ISRP) and meet scientific criteria. The other two proposals did not meet scientific criteria. Staff recommends funding the work proposed in this wildlife project portfolio, with some qualifications, to maintain the habitat units previously acquired in the program, to work toward full mitigation, and to improve the coordination and efficiency of monitoring wildlife habitats. Staff recommends a *five-year* expense planning budget (FY2010-FY2014) for proposed work, with one exception. The recommended planning budget represents an averaged budget per project based on five years of proposed funding by the project sponsors. A five-year planning budget allows Bonneville Power Administration (Bonneville) and the sponsor flexibility in contracting and spending fluctuations over the five years; much like the flexibility of a Columbia Basin Fish Accord (Accord). Actual spending by Bonneville for each project, whether higher or lower than the recommended planning budget, should be sufficient to maintain project integrity. In recommending a five-year planning budget, staff has the following expectations:

1. The ISRP's science review of the ongoing wildlife projects is sufficient, and additional review generally is not needed for at least five years, with two exceptions: 1) the ISRP may review elements of a project or management plan in the interim period between category reviews based on staff recommendation, and 2) any *new* wildlife projects proposed during that five-year period will be reviewed when submitted.
2. Staff will develop a schedule for future reviews by July 2013.

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3. Bonneville and Council staff will conduct performance check-ins with sponsors by July 2013, and the performance check-in process will be developed and described in the summer of 2012.
4. Both the sponsor and Bonneville will work to integrate the ISRP's suggestions and staff recommendations into the contracts, management plans, and reporting requirements.
5. Bonneville will inform the Council staff if the contract budget, after any applied cost savings, deviates from the Council's proposed planning budget in a way that compromises project integrity.

This document comprises Council staff's recommendation for the wildlife project portfolio. There are three sections: 1) a decision memo that includes a summary of the recommendation, back ground and review process information; 2) a Summary of Staff Recommendations (Attachment 1) for the wildlife project portfolio including planning budgets and specific programmatic and project-specific issues that may influence Bonneville's contracting; and 3) a list of programmatic issues and project-specific issues raised by the review (Attachment 2).

Attachment 1 summarizes the staff recommendation for all 34 projects. The recommendations include the Bonneville-proposed Fiscal Year 2010 start-of-year budget for both expense and capital funds; Council-recommended planning budgets -- five years for expense and three years for capital; possible cost savings by programmatic area; and other recommendations or qualifications from staff or the ISRP.

The column *Possible programmatic cost savings* represents an "up to" amount for potential cost savings. Programmatic issues are identified by project in the far right column of Attachment 1 under the heading *Programmatic Issues, other recommendations and comments.* For example, a project may have both regional coordination activities as well as small, non-capital acquisitions proposed over three years. The line item budgets for those activities are then totaled and shown as a range, or "up to" amount for potential savings. Specific adjustments related to these programmatic issues and other cost savings should be considered by Bonneville through contracting.

Bonneville may also identify other areas for cost savings outside of the programmatic areas. In each case Bonneville will have the flexibility to negotiate with sponsors through contracting to finalize work and budget. As stated above, actual spending by Bonneville for each project, whether higher or lower than the recommended planning budget, should be sufficient to maintain project integrity.

Two projects did not meet science criteria and are not being recommended for funding at this time (Southern Idaho Wildlife Mitigation projects #199505701 and #199505700). The Committee expects that issues raised by the ISRP on these two projects will be addressed prior to the projects' contract expiration date. The two projects are included in Attachment 1 for planning purposes, as it is anticipated they will be funded at some level in Fiscal Year 2010.

BUDGETARY/ECONOMIC IMPACTS

The recommended planning budget for wildlife projects does not include specific annual amounts.

- The recommended expense budget is not to exceed $70,882,855 for five years (FY 2010-2014). This amount does not assume any cost savings achieved by Bonneville in contracting.
- The recommended capital budget is not to exceed $67,597,752 over three years (FY 2010-2012).

Adjustments during the five year planning budget period can and should be made as necessary as a normal part of contracting or based on performance check-ins (described above) by Bonneville, and in some cases, by the Council as well. A five-year planning budget allows Bonneville and the sponsor the ability to implement projects in a more efficient and flexible manner.

This funding recommendation differs from how the Council has operated in the past. However, the Committee believes this new approach is more practical and effective. It affirms Bonneville's role as the contracting entity with the personnel, the budget, and the contract information necessary to perform detailed budget evaluations and makes project-level budget decisions. It also allows project sponsors and Bonneville flexibility in annual funding, much like that of an Accord. That flexibility will allow sponsors and Bonneville to better anticipate project budget fluctuations and substantially reduce the frequency of within-year funding reviews. Our focus for this wildlife category review has been on the mitigation work proposed, the ISRP review, and the programmatic issues that the review has illuminated. Those issues are reflected in the budget recommendation and in the qualifications noted in Attachment 1 and described in more detail in Attachment 2.

BACKGROUND

To implement the Council's Fish and Wildlife Program, Bonneville and the Council solicit and review projects to benefit fish and wildlife populations affected by the Federal Columbia River Power System. The Council currently has funding recommendations that apply through Fiscal Year 2009. Past review processes have taken many forms including programwide solicitations, rolling provincial reviews, and targeted solicitations. Based on experience gained from previous processes, the Council and Bonneville, with input from the ISRP, have developed a structure to most effectively review projects for Program implementation beginning in Fiscal Year 2010 and beyond. This review structure includes a *category* review (i.e., strategy and topic) for existing projects that are similar in nature and intent, followed by a *geographic* review (by subbasin and province), that may result in targeted solicitations. The wildlife category review is the first review in the Council's and Bonneville's most recent approach to project review.

Category reviews will consider programmatic issues unique to the category as well as project–specific issues. The category review recognizes differences in project types, specifically those with long-term commitments versus shorter-term implementation and will focus mainly on existing projects. The wildlife category review recognizes that most wildlife projects have long-term commitments for operations and maintenance to maintain habitat units mitigating for inundation and construction losses. The scientific and administrative review for the wildlife category projects should enable the Council and Bonneville to make long-term funding decisions and establish appropriate review cycles for many of these projects.

Each category review has five primary phases: 1) planning, 2) sponsors' reports, 3) ISRP review (including site visits and response period), 4) staff recommendation, and 5) Council decision. The planning phase for the wildlife category began early in the spring of 2008, and the sponsor-report phase began with sponsors' access to an online project proposal form in November. The detailed schedule from there follows:

October 20-November 12, 2008: ISRP site visits
November 14, 2008: Sponsor reports requested, online proposal form available
January 23, 2009: Updated proposals due (sponsor reports)
January 28: ISRP review begins, including:
March 3-4: Project presentations by sponsors
March 26: ISRP preliminary report released and sponsor responses requested
Apr 21: Sponsor responses submitted for all 21 projects as requested
May 19: Final ISRP report released
June 9: ISRP presentation to Fish and Wildlife Committee
June 18: Committee recommendation to full Council
July Council meeting: Council recommendation to Bonneville

ISRP REVIEW

The ISRP reviewed 36 wildlife projects (ISRP document 2009-17). Most are existing projects, but one is a newly reviewed project addressing the monitoring and evaluation approach associated with the Albeni Falls Wildlife Mitigation Project (#200800700). Generally, projects within the wildlife category can be grouped by project emphasis or subcategory (for example, Operations and Maintenance, Acquisition, Data, Monitoring and Evaluation, and Support). While all wildlife projects were reviewed at the same time with the same general criteria, there was more specific information related to each of these subcategories that the sponsor addressed in the proposal narratives. For example, for projects with potential regional significance such as the Habitat and Biodiversity Information System (#200307200), the review information will be linked with other related category reviews (for example, Research, Monitoring, and Evaluation).

An important function of this review was to evaluate how well the project sponsors responded to the scientific concerns raised in previous reviews. In addition, because these are existing projects, a primary review function is to evaluate project results and whether the proposed future actions are responsive to those results.

Finally, Council staff and the ISRP are very supportive of this new review approach. It incorporates some of the best features of past reviews such as site visits, presentations, and response loops. It also adds some positive new features such as the ability to review projects topically (for example, wildlife, Research, Monitoring, and Evaluation, and others) and recognizes ongoing program commitments.

Attachment 2

PROGRAMMATIC ISSUES
And other qualifications

Issues that are either programmatic or project-specific are discussed in this section, beginning with the programmatic. Some programmatic issues were raised by the Independent Scientific Review Panel (ISRP) and others were raised by Bonneville and Council staff through an administrative review. Some issues will result in adjustments to individual projects while others may be addressed in a larger regional forum. Some issues raised by the ISRP are solely up to the project sponsor to respond to, and we encourage sponsors to consider the ISRP's opinions and suggestions to make improvements to their projects that will be evident in future review processes. We also expect Bonneville to translate issues into contracting mechanisms that will result in greater accountability. For example, we expect to see certain land management activities or income-generating activities spelled out in management plans for projects. The programmatic or project-specific issues numbers listed in the last column on Attachment 1 - Summary of Recommendations - correspond to the numbers before each issue listed below. These are listed in no particular order of importance.

Programmatic issues

1. New funding opportunities – expense
2. Habitat Evaluation Procedure (HEP)
    A. The interaction between wildlife crediting and monitoring
    B. HEP participation funding
3. Prospects for a regional RM&E approach
4. Ongoing wildlife crediting issues
5. Management Plans
    A. General
    B. Multiple uses of wildlife conservation lands (agriculture, grazing, including income-generating activities)
6. Weed control - regional plans and best management practices;
7. Equipment/facilities purchase and replacement
8. Regional Coordination funding
9. New Acquisitions – capital funding
10. Cost of living and other funding request increases

1. New funding opportunities - expense

As described in the general process for category reviews, the Council committed to identifying new work elements to be pooled for funding consideration as additional funds become available through successive category reviews. For the wildlife category, new funding opportunities include non-capital acquisition or other new work elements. The following table lists three new funding opportunities that Council and Bonneville staff could easily identify from the proposals. This list is not meant to be exclusive of other potential funding opportunities; the Council recognizes that there may be other new work elements that were not identified in the initial staff review.

Project #	Project name	New work element	Amount
200202400	Sunnyside Wildlife Mitigation	Two small non-capital acquisitions	$90,000
199608000	NE Oregon (Precious Lands)	Increase Instream Habitat Complexity	$110,940
199206103	Albeni Falls – (IDFG)	Produce Biological Assessment for Clark Fork River Delta Restoration	$46,000

Committee Recommendation:

- Prior to contracting, Bonneville review all proposed work elements to identify additional work that may represent scope changes and/or new activities. The Committee believes the resulting portfolio of proposed work is generally consistent with the Fish and Wildlife Program, However, we recognize Bonneville's budget may not support funding new activities at this time. The Committee recommends Bonneville fund this proposed new work as appropriate and when funding is available.

2. Habitat Evaluation Procedure (HEP)

A. The interaction between wildlife crediting and monitoring

HEP is currently the common accounting tool used in the Program for assessing wildlife habitat quality.

Some wildlife project proposals treat HEP as an effectiveness monitoring tool when it is used in follow up assessments. According to the ISRP, "HEP is a tool to assess parcels and assign credit for fulfilling mitigation obligations, but this use of HEP is confused with biological or effectiveness monitoring". Consistent with prior reviews, the ISRP recommended that the program use the HEP *only* for the purpose of evaluating the habitat units to be acquired against losses *prior* to acquisitions and not use HEP for monitoring and assessing the gains to wildlife species resulting from acquisitions.

The ISRP also expressed concern that there has been no comprehensive scientific review and comparison of methods for evaluating potential mitigation actions and other possible means of crediting. The ISRP suggests that the Council consider as alternative solutions either an Independent Scientific Advisory Board (ISAB) review of current and other prospective methods or a targeted solicitation for a comparative study.

Committee Recommendation:

- Use HEP as the agreed-upon methodology to account for habitat unit credits until another method of accounting for crediting is agreed upon. Request the ISAB review HEP and other methodologies used to evaluate habitat quality for credit accounting purposes. This review should inform the Wildlife Crediting Forum.

B. HEP participation funding

The Council currently funds a regional HEP project through the Columbia Basin Fish and Wildlife Authority (CBFWA) to complete project assessments and training. The project is

funded at $382,000 in Fiscal Year 2009, and the sponsor has requested a 35 percent increase for additional work.

Staff identified 12 individual projects, in addition to the regional HEP project, that requested funding for HEP work. The total amount requested is approximately $2.2 million; with individual project requests for HEP funds ranging from $3,075 to $1.8 million per project over three years. The number of individual requests for HEP work was unexpected and, between the projects, there was no discernible basis for the varied HEP funding requests (see table below).

Project #	HEP funding requested (three year total)	Project name
199205900	$90,000	Amazon Basin - TNC
199506001	$32,307	Iskuulpa - CTUIR
199800300	$3,075	Logan Valley - BPT
200002700	$6,150	Malheur River - BPT
199609401	$5,000	Scotch Creek - WDFW
200002600	$10,000	Rainwater Wildlife Area - CTUIR
199608000	$71,800	NE Oregon Wildlife Project
199206103	$120,000	Albeni Falls Wildlife Mitigation – IDFG
199206102	$15,000	Albeni Falls Wildlife Mitigation – Kalispel Tribe
199206105	*$95,723	Albeni Falls Wildlife Mitigation – Kootenai Tribe of Idaho
199204800	$10,000	Colville Tribes Wildlife Mitigation (Accord)
199206106	$35,000	Albeni Falls Wildlife Mitigation – Coeur d'Alene Tribe
200600600	$1,761,035	HEP Project – CBFWA
	$2,228,090	**TOTAL**

* This project included completion of other reports in the work element description

Preliminary discussions with managers have revealed there are two general reasons for the funding requests for HEP. First, funding is necessary for participation so that project sponsors can assist the regional HEP team on the ground by providing data and providing assistance on the property. The Committee supports funding to ensure the regional HEP team is provided with the support necessary to evaluate individual wildlife projects. Participation costs are generally estimated based on the number of days to complete the work. The lower dollar amounts on the table likely represent participation work, but the amounts still vary widely between projects. The second reason managers requested additional HEP funding requests is for actual preparation of the HEP report where the sponsors, rather than the HEP team, conduct the assessment. This additional work and these funding requests should be reconciled in coordination with Bonneville and the sponsors.

Committee Recommendation:
In the absence of a coordinated approach for regional HEP and assumed continued funding of a regional HEP team, these work elements should be considered an area for potential cost savings. The Committee also supports continued resolution through possible next steps including:

- Developing a plan, through a regional forum, that describes the need and schedule for HEP assessments and how the plan should be coordinated around the region (including the level of each sponsor's participation). Included in this plan should be

a mechanism for maintaining regional consistency if and when individual sponsors complete their own HEP assessments. Bonneville then can estimate costs for completing the identified needs.

- Addressing HEP coordination, costs, and need through the wildlife crediting forum.

3. Prospects for a regional monitoring and evaluation (M&E) approach

The 2009 Fish and Wildlife Program includes a call to "monitor and evaluate habitat and species responses to mitigation actions." As part of the FY2007-2009 funding recommendations, Bonneville and the Council applied a 5-percent soft cap for project-specific monitoring. Although this recommendation generally was applied during contracting, the cap was applied inconsistently among the projects. The ISRP noted general confusion among project sponsors as to how that cap is applied. Generally, however, the managers were able to address the most recent ISRP concerns involving monitoring and evaluation within the managers' funding levels. In one instance, some sponsors of the Albeni Falls projects pooled their funds to address monitoring at a regional level as a pilot (#200800700) approach that, depending on its effectiveness, may be applied at a larger geographic scale.

There is a need to develop a regional M&E program for wildlife. The ISRP continues to support an overarching monitoring approach for wildlife projects. The ISRP has consistently raised the issue since its first review of the wildlife program, and although the mangers seem to be making some progress with the support they have been provided there is a need to develop a consistent level of guidance and definition to meet monitoring expectations. The ISRP's final report identifies several examples of appropriate regional monitoring approaches including the recently developed program for Albeni Falls projects (#200800700), Washington Department of Fish and Wildlife's wildlife guidelines and the use of expanded vegetative measurements.

Committee Recommendation:

- Until a regional approach is developed and provides consistent definition to this issue, the current funding level should be maintained for habitat and species response monitoring for wildlife populations.
- Sponsors and Bonneville should consider the ISRP's recommendations and comments regarding individual project monitoring activities. Shifts in methodologies (adaptive management) in all cases may not require additional program funding.
- Staff should work with the ISRP and sponsors to evaluate various monitoring applications or approaches that could be applied across the Columbia River Basin in a more consistent fashion, for example the UCUT Wildlife M&E project (#200800700).

4. Ongoing wildlife crediting issues

In the 2009 Fish and Wildlife Program, the Council maintained the 2:1 crediting ratio established in the 2000 Program to complete the current mitigation program. The Council, however, recognized that the 2:1 ratio was not without controversy and that a number of issues associated with crediting wildlife mitigation projects contributed to confusion over the current credit ledger and extent of Bonneville's future mitigation responsibility for losses associated with the development and operation of the hydrosystem. Some of those issues -- crediting projects purchased for fish mitigation, assigning credits to certain hydropower projects, credit for

enhancement activities of purchased properties, use of the HEP or CHAP tools in assigning credit -- affect the projects in this review.

The Council said in the 2009 Program that it would initiate the Wildlife Mitigation Crediting Forum to help resolve issues associated with the proper assignment of credit for mitigation projects. When established, the Forum could help resolve some issues in this review cycle. For example, the Forum could help define the requirements and frequency of the use of HEP or other methodologies for crediting purposes and scheduling follow-up HEP surveys.

The Committee does not believe that the lack of an established Forum should prevent the Council from moving forward with recommendations for the projects in this review. Most projects in the wildlife review have existed for years, as have most of the issues the Council believes the Forum will address. These projects have proceeded on-the-ground despite the crediting controversy. The Committee does not believe that an eventual resolution of the crediting issues will radically alter the current path of implementation of these projects over the next three to five years.

Committee Recommendation:

- The Council should move forward with the recommendation on these 34 projects concurrent with the establishment of the Wildlife Crediting Forum. If a Forum recommendation affects implementation of any of these projects, the Council can revisit its recommendation at the appropriate time.

5. Management Plans

A. General

Management plans are required as part of the obligations associated with the purchase of wildlife mitigation lands by Bonneville. The plans currently are not always accessible as part of the public project information system. As part of this category review the sponsors were asked to attach management plan(s) for the property under the scope of their particular project. Of the 36 projects in this category, six provided a management plan with their project proposal.

The management plans were received as supporting documents to the proposal forms for the independent scientific review. The ISRP found that the majority of the plans were general and varied in format and content, and generally only met the legal requirements for Bonneville. There were exceptions, and the ISRP sees a benefit in using management plans to support future reviews, especially in conjunction to the annual reports. The ISRP, as part of its final review, suggested some items for plan content.

Bonneville and Council staff believes management plans need to be more current and assessable for the wildlife projects. There is a need to make them more than just legal documents. Management plans also should be tools to track and confirm the management obligations and actions on existing and potential future wildlife mitigation lands.

Committee Recommendation:

- The management plan should become the principal tool in conjunction with the annual report in future reviews. To accomplish this there is a need to standardize the format

and content of management plans and annual reports. The Committee recommends that a format be developed with Bonneville and the sponsors for management plans and annual reports that will be used for future performance and science reviews.
- Management plans, where completed, should be available on Bonneville's public project website(s) by Fiscal Year 2011.

B. Other activities on wildlife lands (including income-generating activities)
Wildlife mitigation lands often have other activities associated with management of the land for conservation purposes. The activities include leases for livestock grazing, hay/alfalfa production, timber harvest, and rentals. These activities are for multiple purposes that include management actions, cultural tradition, and community outreach/acceptance purposes. In many cases, these activities produce income.

Staff identified at least eight projects with income-generating activities that occur on Bonneville-funded wildlife mitigation properties. The proposal narrative asked sponsors to provide information on income generated from wildlife properties. In most cases, that information was provided in detail with regard to the income-producing activity and what the income is then used for. In general, the income generated from the property goes back into property and infrastructure maintenance, equipment, and paying property taxes.

The ISRP report speaks to the management aspects of these activities in the context of the potential to compromise wildlife and habitat objectives. The Committee supports other limited activities occurring on wildlife lands so long as guidelines are in place to ensure that the conservation benefits of the property are protected and the activities are clearly articulated in the management plans as recommended below:

Committee Recommendation:
The Committee recommends the following general policies on agricultural activities (e.g. grazing, leases, crops, timber harvest) that occur on wildlife mitigation properties (including income generated from these activities) be incorporated into the contracts and management plans associated with the particular project:
- The activities should not be detrimental to the fish and wildlife resources that the project is addressing and should result in no loss of HU's.
- Income-generating activities such as livestock grazing and other agriculture uses should be explained and justified in the management plan and agreed to by Bonneville.
- All income should be accounted for and applied to the management and maintenance of the property and maintenance of habitat units. This also should be explained in the management plan and documented in annual reports.

6. Weed control, regional plans and best management practices
Wildlife mitigation lands require weed management as a normal part of habitat management. The ISRP identified invasive species control, regional plans and best management practices as significant programmatic issues in its review of wildlife projects. In addition to the previous review comments, and in the current review, the ISRP notes that a number of projects are using vegetation control practices that are no longer considered best practices. Herbicide application is

often the only strategy used and may have unanticipated effects and is a growing expense to the program.

The ISRP suggests that eliminating the establishment of unwanted vegetation and mapping and monitoring are keys to a successful integrated invasive-species management system. The ISRP recommends that wildlife projects take a more programwide approach to invasive species management and monitoring. The ISRP also recommends that an incentive program be developed to reduce control costs and recognize successes in managing invasive species. Staff supports continued activities to manage weeds on mitigation lands, but recognizes growing program costs associated with weed and invasive plant applications. In addition, staff sees the need for our program to be more efficient, current, and cost-effective in treatments.

Committee Recommendation:

- Council, Bonneville, ISRP, and wildlife managers should find opportunities to improve weed control methodologies, reduce costs, increase efficiency of treatments, and use chemicals and applications that are considered the least harmful to the environment. This may include development of cooperative weed management areas, and investigating a mapping and monitoring mechanism at a regional scale. Committee proposes that the involved parties do this through workshops, literature searches, and training.
- Bonneville should include as part of the contracting, sponsor's development of specific integrated pest management plans, as part of their overall management plans**.**

7. Equipment/facilities purchase and replacement

A key component to the adequate operation and maintenance of acquired wildlife mitigation properties in the program is properly functioning equipment and facilities. Equipment eventually needs maintenance and replacement, and project facilities may need upgrading or a new lease. The equipment and facilities requested may contribute to the maintenance of a project's habitat units, but some of these items may warrant additional review.

Council and Bonneville staffs conducted a review of the funding requests for equipment and facilities as part of the wildlife category review. Some projects identified facilities needed such as storage and office buildings. Staff recommends these be funded as deemed appropriate by Bonneville based upon Council criteria listed below.

Committee Recommendation:

Committee recommends funding equipment and facility repair, purchases and agreements subject to the following criteria:

- Bonneville will verify cost, timing, and need with sponsors through contracting.
- Bonneville and the sponsor will look for lowest-cost alternatives, including cost share wherever possible and/or sharing of equipment needs.
- Needs must be adequately described and justified to fulfill project goals and objectives.

8. Regional Coordination funding

As part of project management, a certain level of coordination needs to occur with other agencies, tribes, and adjacent landowners to be successful. As a normal course of contracting, work elements may include project coordination activities. Regional coordination at the program level is generally funded through six program coordination (regional) contracts (CBFWA, CRITFC, UCUT, USRT, and Kalispel and Spokane Tribes) totaling $2.4 million annually.

Staff identified 11 wildlife projects that requested regional coordination-type activities in their budgets. In reviewing the work-element descriptions, some of the work clearly identified as "regional coordination" is similar to how the Council describes it in our six program regional coordination contracts. It appears that some of this work could be duplicative of coordination funds already embedded in program coordination contracts (for example, CBFWA member subcontracts with individual state and tribes).

An example of a work element description that is clearly "regional coordination" is:

"Includes but is not limited to Northwest Power Planning and Conservation Council meetings and CBFWA meetings. Attend meetings and share information and ideas with other agencies and stakeholders within the region".

Other work element descriptions are less clear and blend what looks to be regional coordination with local project coordination activities. An example of this is:

"Coordinate regional by participating in CBFWA Wildlife Advisory Committee on amendment and planning processes. Work with other regional partners to identify and implement common goals".

Exact dollar amounts for regional versus project coordination activities could not be easily teased apart within the work elements. Given the difficulty to make clear distinctions in all cases, staff estimate up to $700,000 in requests for program coordination-type work are included in the project proposals. Staff sees a potential for these coordination work elements to duplicate funds and work elements already in place though our program coordination contracts.

In addition, several of the projects below with multiple "coordination" work elements may be duplicative even at the project funding level. Staff encourages Bonneville, at contracting, to examine each of the coordination-related work elements to confirm need. All projects identifying regional coordination work elements that will need further examination are listed in the table below.

Projects with regional coordination activities identified.

Project #	Project Title
199206800	Willamette Basin Mitigation
199800300	Spokane Tribe Wildlife Mitigation O&M
199608000	NE Oregon Wildlife Project
199206103	Albeni Falls Wildlife Mitigation – IDFG
199206102	Albeni Falls Wildlife Mitigation – Kalispel Tribe
199206105	Albeni Falls Wildlife Mitigation – Kootenai Tribe of Idaho
199204800	Colville Tribes Wildlife Mitigation (Accord)
199206106	Albeni Falls Wildlife Mitigation – Coeur d'Alene Tribe
200201100	Kootenai Floodplain Operational Loss Assessment
199505700	Southern Idaho Wildlife Mitigation – IDFG (Middle Snake)

199505701	Southern Idaho Wildlife Mitigation – IDFG (Upper Snake)
200307200*	Habitat and Biodiversity Information System

*Project is listed because it has work elements for "regional coordination" for $1.2 million as a pass-through to agencies and tribes for data coordination (Attachment 2, Project-Specific Issue # 2).

Committee Recommendation:

- Bonneville, at contracting, should examine each of the coordination-related work elements to assess the level of project coordination necessary to maintain habitat units and uphold and foster project relationships. If the proposed coordination work is determined to duplicate work in the six regional coordination contracts, Bonneville should eliminate redundancies.

9. New Acquisitions (capital funding)

Most wildlife acquisitions are funded through capital funds, and that budget fluctuates from year to year. The purchases contribute toward mitigation of wildlife losses in the basin. The available capital funds should be used to continue mitigation of wildlife losses in the areas of the basin that are under-mitigated.

Seven projects proposed new acquisitions. There are considerations or conditions that guide whether a new acquisition moves forward or not as a capital project:

a. Availability of capital funds
b. Need for additional land purchases (directly related to the wildlife habitat unit ledger)
c. Prioritized purchases across geographic areas
d. Criteria by which land/parcels are selected for purchase

The Wildlife Crediting Forum should provide the Council a list of remaining habitat units by hydropower project. This will help guide not only the need for additional purchases, but may also establish a prioritization scheme as a result. Ultimately, prioritization of purchases will be determined by factors such as readiness to proceed, willing landowner, and available funds. The Committee does not recommend delaying investments in wildlife habitat in areas currently deemed under-mitigated pending an outcome from the Wildlife Crediting Forum.

Committee Recommendation:

The Committee supports the continued use of capital funds to purchase additional wildlife mitigation properties to the extent that:

- The Crediting Forum has identified the need for additional Habitat Units in that area;
- In the absence of a habitat units needs list from the Crediting Forum, Bonneville and the Council agree on purchase of lands in areas that they agree are under-mitigated;
- Conditions or recommendations from the ISRP related to a project sponsor's plan to purchase and manage new lands are applied.
- Any new land purchased will result in a complete and publicly accessible management plan that takes into account applicable ISRP recommendations for the project.
- Council and Bonneville staffs explore opportunities for alternative funding scenarios for future land purchases and long-term operations and maintenance activities (e.g. mitigation settlement agreements).

10. Cost of Living Adjustments

Committee recognizes that prior to Fiscal Year 2010, Bonneville had not provided automatic cost-of-living adjustments. Bonneville's general cost-of-living target for Fiscal Year 2010 is 2.5 percent. Staff identified a range of cost-of-living increases in the proposals; however, the rates were not always described clearly or explicitly and may be embedded in overall cost increases for projects. The cost-of-living increases varied in the project proposals received -- from 1 to 9 percent with most approximating 2.5 percent. In these instances, staff was unable to distinguish between the actual cost-of-living increases and other cost increases.

Committee Recommendation:

- Bonneville work with sponsors to understand the basis for the cost increases and apply cost-of-living adjustments in a manner that is equitable and consistent across the wildlife portfolio and in a way that maintains the scientific integrity of projects. Staff notes that in some cases, budget savings could be found in the range of cost-of-living adjustment levels proposed.

Project-Specific Recommendations

1. Albeni Falls Wildlife Mitigation Projects

Projects #199206100, #199206103, #199206102, #199206105, #199206106 and #200800700

The Albeni Falls Wildlife Mitigation Project (Project) was developed to protect, restore, enhance, and maintain the long-term quality of wetland and riparian habitat in northern Idaho and eastern Washington as ongoing mitigation for the construction of the Albeni Falls hydroelectric project and inundation caused by the project. An Interagency Work Group comprising wildlife managers from tribal, federal, and state agencies directs wildlife mitigation implementation in the Kootenai, Pend Oreille, and Coeur d'Alene subbasins. This Work Group is unique in the Columbia Basin. The project's goal is to fully mitigate wildlife habitat losses associated with the construction and operation of Albeni Falls Dam. The Work Group envisions the protection and enhancement of 28,587 Habitat Units (HUs) over the next 15-20 years with the understanding that those HUs will be maintained in perpetuity. While the Work Group no longer meets regularly, the function of the Albeni Falls Wildlife Mitigation capital account project (#199206100) allows flexibility to purchase wildlife lands by the members as the opportunities come about.

The narratives received in this review reflect two new developments. First, Idaho Fish and Game (IDGF) propose to withdraw its portion of capital funds from the Albeni Falls Wildlife Mitigation (# 199206100), for inclusion into IDFG's existing project #199206103. And second, the Upper Columbia United tribes (UCUT) wildlife M&E project (Project #2008-007-00) has ISRP support and a funding recommendation from the Committee. However, not all sponsors of the Albeni Falls Mitigation projects have committed to participate in the pilot phase of this monitoring approach.

Committee Recommendation:

- Project # 199206103: Committee recommends capital funding in the amount of $1.5 million per year for three years. However, the Committee recognizes that Bonneville's capital funding mechanisms may restrict the flexibility that IDFG seeks

to gain by accessing a separate capital account. The Council understands that Bonneville may be uncomfortable establishing a separate capital project (from the historic Albeni Falls Project Number 199206100) for IDFG because it could increase the risk of acquisitions not meeting capital policy guidelines. If Bonneville, in contracting, recommends [or decides to maintain] maintaining the four-member Albeni Falls capital account that includes IDFG, the Council would encourage Bonneville and the sponsors to uphold a "soft-cap" amount of $1.5 million per entity, per year while maintaining the flexibility and efficiency of the original operating principles.

- Project #199206100: Committee recommends funding the capital account at $4.5 million a year for three years. This recommendation allows the three sponsoring tribesof the Albeni Falls projects to most effectively access capital funds for future acquisitions.
- The UCUT M&E project be advanced as a "pilot" monitoring program to be reviewed and evaluated on its applicability to a greater geographic area based on an ISRP review of results after three years of work. In addition, the Committee recommends that the pilot monitoring work be applied throughout the Albeni Falls project area.

2. Northwest Habitat Institute Coordination funding

The work that the Northwest Habitat Institute performs under project # 200307200 is a key component of the wildlife program. The Council and the ISRP support the work at Bonneville's SOY 2010 funding level. However, the request for new funding represents a 600-percent increase in funding from Fiscal Year 2009, which is composed of funding to the states and some tribes for data support and coordination. Council and Bonneville staffs are considering whether some of the data functions should be reviewed in the context of, and funded within, the *regional data and data management placeholder* within the RM&E-*plus* category.

Committee Recommendation:

- Committee supports NHI's proposed work and recommends funding. However, the data coordination dollars (to the states and tribes) should be reviewed in the context of the larger data and information work in the basinwide RM&E review prior to funding and contracting with Bonneville. Additionally, specific ISRP comments should be reviewed and addressed as appropriate in NHI's work elements.