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Chair
Montana

Rhonda Whiting
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W. Bill Booth
Idaho

James A. Yost
Idaho



Joan M. Dukes
Vice-Chair
Oregon

Bill Bradbury
Oregon

Tom Karier
Washington

Phil Rockefeller
Washington

October 27, 2011

DECISION MEMORANDUM

TO: Council members

FROM: Mark Fritsch, project implementation manager

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

PROPOSED ACTION: Approve the within-year project-funding request as presented by staff.

BUDGETARY/ECONOMIC IMPACTS

The requested amount associated with the request is \$575,000 in expense Fiscal Year 2012 funds¹.

BACKGROUND

In 2004, Bonneville and the Council formed a budget oversight group (BOG) to conduct a budget tracking process. A principal role of the BOG is to validate whether the requests are a reschedule² or within-year request (i.e., scope change, budget change, scope/budget change, and new request). 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 meets monthly to review change requests and to track the fiscal year budget and then uses quarterly reviews to initiate a 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 October 11, 2011, the Council staff presented to the Fish and Wildlife Committee the request and reviewed the schedule for the within-year budget adjustment requests for the fourth quarter of Fiscal Year 2011.

¹ The balance for the within-year placeholder at the time of the November Council meeting packet for Fiscal Year 2012; Bi-Op Placeholder @ \$2,000,000 (out of \$2,000,000), and Non-Bi-op Placeholder @ \$815,000 (out of \$1,000,000).

² Reschedules are project work task or tasks, as reviewed and approved, that are aligned from one fiscal year to another.

Of the seven requests reviewed by the BOG during the fourth quarter of Fiscal Year 2011, one request needs a decision in November. As outlined in the attached table (see Attachment 1), two requests triggered the threshold adjustment as part of the budget-tracking process, one request was within the recommendation made as part of the wildlife category review, one request was addressed as an administrative action, and two requests were withdrawn. Based on staff review and comment received, the staff will bring to the Committee and the Council a recommendation at the November meeting.

The comment period associated with this request closed on October 25th. No comments were received.

Following is a brief summary of the project request.

Quarterly

- **Project #1995-033-00, Yakima Phase II Fish Screens Operations and Maintenance (O&M) with Bureau of Reclamation (BOR)**

The Bureau of Reclamation (BOR) is requesting \$575,000 in Fiscal Year 2012 expense funds to cover construction costs associated with the renovation of the Glead fish screen in the Naches River. This screen is part of the existing comprehensive operation & maintenance program of irrigation diversions by the BOR of BPA-owned Yakima Phase II fish screening facilities in the Yakima River Subbasin. The BOR currently operates and maintains 28 sites³. The project supports RPA 35 of the 2008 Federal Columbia River Power System Biological Opinion (BiOp) with the link to the listed Mid-Columbia Steelhead.

As reviewed, as part of the Fiscal Year 2007 - 2009 project recommendations, this project did not list any cost share opportunities with other entities, though records indicate that contributions have been received (i.e., 2010). This request does not include any cost shares.

The renovation associated with the Glead fish screen was initiated to improve approach velocities at screens, improve maintenance crews' ability to manage debris, and address bypass flow for fish and debris passage. Currently, passage deficiencies exist with the majority of the spring smolt outmigration period. These deficiencies are caused by the inability of the current facility to handle the amount of debris during high-flow periods (i.e., spring run-off). During these high-flow periods fish passage criteria are not being met when velocities become too great and/or they get entrapped in the canals.

³ In accordance with the Pacific Northwest Electric Power Planning and Conservation Act, Bonneville is funding the operation and maintenance of fish protection, mitigation and enhancement facilities in the Yakima River Basin with BOR. BOR operates and maintains five sites exclusively and shares responsibility of 28 other fish screen sites with Washington State Department of Fish and Wildlife (WDFW). In 1994, a Memorandum of Agreement (MOA) between Bonneville, BOR, and WDFW was drafted and agreed upon. This MOA, through the use of an Annual Work Plan (AWP), assigns specific duties to BOR for O&M of Phase II facilities and is funded by Bonneville. Yakima Fish Screen Phase II O&M, project # 199503300 continues with Intergovernmental agreement effective May 1, 2005.

As you may recall, this project and the proposed renovation came before Council in 2008⁴ and 2010⁵ seeking and being authorized for the preliminary and final design work for the modifications of this fish screen, respectively. The 2010 request was funded from the BiOp placeholder. The current design has been reviewed by WDFW, YN, NOAA, and the irrigation districts associated with the Gleed Canal. The current construction window is targeted for 2012 and 2013 due to the limited timeframe associated with the instream work window for construction.

Bonneville is denying this request due to the impact this would place on the placeholder at this point in the 2012 Fiscal Year.

Staff Recommendation: Based on the needs, the sequence and transparency of the efforts by BOR and WDFW, and the associated past decisions by the Council on the Gleed fish screen the Council staff recommends that the Council support this within year budget request of \$575,000 to be taken from the 2012 BiOp placeholder.

⁴ On November 19, 2008 the Council recommended \$27,000 for initial evaluation and design.

⁵ On August 18, 2010 the Council recommended \$124,000 in expense funds to complete the engineering designs associated with the preferred alternative for the Gleed Fish Screen. At the time of this decision it was expected that when the final designs were complete, BOR would ask for the construction costs, *estimated at \$520,000*, for the 2011-2012 contract period.

Attachment 1: Within-year project funding adjustments received as part of the fourth quarter of Fiscal Year 2011.

Type	Project #	Project Title	Sponsor	Current Budget (BPA) ⁶ .	Request	Status
Quarterly						
	1995-033-00	Yakima Phase II Fish Screens Operations and Maintenance (O&M) with Bureau of Reclamation (BOR)	US Bureau of Reclamation (BOR)	\$111,178	\$575,000	November decision
Threshold						
	1998-019-00	Wind River Watershed	Underwood Conservation District (UCD), US Forest Service (USFS), US Geological Survey (USGS), Washington Department of Fish and Wildlife (WDFW)	\$582,727	\$16,884	Threshold approved, 7/6/11
	1983-436-00	Umatilla Passage Operations and Maintenance (O&M)	Westland Irrigation District	\$521,989	\$15,500	Threshold approved, 8/23/11
Category						
	1992-061-03	Albeni Falls Wildlife Mitigation-Idaho Department of Fish and Game (IDFG)	Idaho Department of Fish and Game (IDFG)	\$725,772	\$35,000	Wildlife Category Review
Administrative						
	2007-396-00	Walla Walla Basinwide Tributary Passage and Flow	BPA/Walla Walla Basin Watershed Council	NA	\$37,341 ⁷	Approved 7/6/11
Withdrawn						
	2002-008-00 ⁸	Reconnect Kootenai River with Historic Floodplain	Kootenai Tribe			Withdrawn
	1985-038-00 ⁹	Colville Hatchery Operation and Maintenance (O&M)	Colville Confederated Tribes			Withdrawn

⁶ The Fiscal Year budget that the within-year request addresses.

⁷ The request was for \$37,341 to be moved from capital to expense for cultural resource surveys. No new funds.

⁸ This request has been withdrawn due to implications to Wildlife O&M issues, contractual management of the project, and science review. The request was to move \$212,719 (FY11) from 2002-008-00 to 1992-061-05 (both Kootenai projects).

⁹ The Colville Confederated Tribes requested a scope change to transition away from their current mixed redband trout stock (i.e., Phalon Lake/Bridge Creek) to using the triploid Spokane stock rainbow trout prior to the Resident Fish, Data Management, and Program Coordination projects review.

Attachment 2: Letter received on October 24, 2011 from Bonneville regarding within-year budget adjustments associated with the Quarterly Review.



Department of Energy

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

ENVIRONMENT, FISH AND WILDLIFE

October 24, 2011

In reply refer to: KEW-4

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

Dear Mr. Grover:

In accordance with the Budget Oversight Group (BOG) process, the BOG conducted the fourth quarter review of within-year budget and/or scope modification requests for Fiscal Year 2011 [submissions reviewed by BOG in July, August, and September]. These requests were presented at the October Fish and Wildlife Committee Meeting, and a 14-day public comment period was opened. As a result of the BOG review and consideration of any comments, the Bonneville Power Administration (BPA) has arrived at the following tentative conclusions subject to further consideration following receipt of the Council's recommendations.

Project Funding Requests

Project Number: 1995-033-00

Project Name: Yakima Phase II Fish Screens Operation & Maintenance (O&M) with Bureau of Reclamation (BOR)

Contractor: US Bureau of Reclamation (BOR)

BPA-COTR: Jay Marcotte

BPA Manager: Peter Lofy

Budget Year/Amount Requested: FY12 / \$575,000

Funding Type: Expense

How does this project support a Biological Opinion? This project generally supports RPA 35 Protect and Improve Tributary Habitat of the FCRPS Bi-Op, but is not needed or required to meet any of the BiOp population targets. The BiOp targets for Yakima populations of Mid

Columbia steelhead have been met through prior implementation efforts. The Glead project may improve habitat quality for Naches River population of Mid Columbia steelhead and contribute to Recovery goals, but it not needed to satisfy BiOp population targets.

Explanation of need: The Yakima Phase II Fish Screens Operation & Maintenance project is requesting additional funding to complete environmental compliance, design and construction of the Glead Fish Screen. The final design is near complete for changes will address deficiencies that have caused the screen to operate out of NMFS criteria for the majority of the spring smolt outmigration period since the screen was installed in 1993. The re-design was developed by BOR and has been reviewed and approved by stakeholders including WDFW, NOAA, Yakama Nation and irrigation districts associated with the Glead Canal. The current construction window is targeted for 2012 and 2013 due to the limited timeframe associated with the instream work window for construction.

BPA Recommendation: BPA supports the proposal but defers of implementing the change request at this time. The facility has operated under such conditions since inception in 1993, and generally provides reasonable conditions except under high flow events. While continuing to operate in this manner is not preferred, and we want to support the improvements when funds are available, we are not prepared at this time to make the funding commitment given other higher priorities for available funds.

Although BPA and the Council have supported previous change requests leading to the current one, we simply find the current financial situation too constrained to fund the final phases of Glead, including construction, at this time.

The Glead within-year request represents one of those difficult project funding decisions BPA must make to ensure funds are available for the highest priority actions, and that we manage spending within the available budget. We will continue to carefully scrutinize any within-year requests to ensure that our decisions support the highest priority projects.

Summary

In summary, the total of expense funding requested in this letter is \$575,000. While BPA supports the project and proposed budget increase, we are not prepared to proceed with implementing requested budget increase at this time. BPA will work closely with Council staff to implement the proposed budget increase when funds are available.

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,

/s/

William C. Maslen
Director for Fish and Wildlife