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July 26, 2012

## MEMORANDUM

**TO:** Council members

**FROM:** Mark Fritsch, project implementation manager

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

**PROPOSED ACTION:** Approve one of the within-year project-funding requests as presented by staff.

### BUDGETARY/ECONOMIC IMPACTS

The total amount associated with the recommended requests is \$36,556 in expense Fiscal Year 2012 funds<sup>1</sup>.

### 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 reschedule<sup>2</sup> 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<sup>3</sup> 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.

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<sup>1</sup>The balance for the within-year placeholder at the end of the second quarter of Fiscal Year 2012; Bi-Op Placeholder @ \$1,766,146 (out of \$2,000,000), and Non-Bi-op Placeholder @ \$802,977 (out of \$1,000,000).

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

<sup>3</sup> The requests are categorized by category (Emergency, Urgent, Threshold, Categorical Review, and Quarterly) per the BOG review.

On July 10, 2012, the Council staff presented to the Fish and Wildlife Committee the requests and reviewed the schedule for the within-year budget adjustment requests for the third quarter of Fiscal Year 2012.

Of the four requests reviewed by the BOG during the third quarter of Fiscal Year 2012, three requests are seeking a decision in August. As outlined in the attached table (see Attachment 1, page 5) the remaining request was within the Council recommendation made as part of the wildlife category review.

The comment period associated with this request closed on August 24<sup>th</sup>. No comments were received.

### **ANALYSIS**

The following addresses the three project requests and the Council staff's recommendations. On July 26, 2012, the Council received a letter from Bonneville summarizing the three within-year requests being considered during the third quarter of Fiscal Year 2012 (see Attachment 2, page 6).

In addition, an accounting is provided on the Council recommendations to date as it relates to the within-year project-funding placeholder budgets (see Attachment 3, page 9).

### **Quarterly**

- **Project #1984-025-00, *Blue Mountain Fish Habitat Improvement***

The Oregon Department of Fish and Wildlife (ODFW) is requesting \$150,780 in expense funds to secure a 143.6 acre easement in Joseph Creek, a tributary to the Grande Ronde River. The project supports Reasonable and Prudent Action 34 and 35 of the 2008 Federal Columbia River Power System Biological Opinion (BiOp) for ESA listed Snake River Spring/Summer Chinook Salmon and Snake River Summer Steelhead, but benefits many other species of fish and wildlife.

The purpose of this project is to protect, restore and enhance stream and riparian habitats in the Grande Ronde and Imnaha subbasins. Sponsors use both passive and active restoration treatment techniques. Sponsors prefer passive treatment that focuses on riparian fencing to protect functional stream/riparian habitats. In more severely degraded habitats, ODFW uses active restoration, including bioengineering, instream structures, native vegetative plantings, and engineered channels as site conditions dictate.

ODFW generally enters into a 10 to 15 year agreement with participating landowners to maintain projects after installation. The easement for the exclusion fence in Joseph Creek expired in 2005, but the property containing the easement recently sold to a new owner who has expressed interest in receiving an annual payment similar to CREP (Conservation Reserve Enhancement Program). ODFW would like to pursue the use of payment for annual compliance set forth in the landowner's responsibilities under the

easement (i.e., no trespass cattle, no land development, etc.), and provide an incentive to the landowner to continue to participate in the riparian protection.

The ODFW has proposed a payment of \$70.00 an acre per year with a total payment of \$10,052 annually for the 143.6 acres. This would equal \$150,780 for the minimum life of the riparian agreement (15yrs).

**Staff Recommendation:** Though this request has merit for continuing riparian protection, it also has severe implications for the majority of the habitat projects implemented by ODFW. The proposed option to pay for the conservation easement in Joseph Creek could have implications for a multitude of arrangements ODFW has with other property owners, not only in the Grande Ronde, but also in the John Day, Umatilla, Deschutes and Fifteenmile subbasins. If this type of arrangement is needed to continue to secure and protect riparian zones then implementation approaches and criteria will need to be defined and reviewed so that the priority reaches are addressed. Council staff recommends that the Council not support this request at this time and that ODFW address this need in the upcoming geographic review.

- **Project #1992-009-00, *Yakima Phase II Fish Screens Operations and Maintenance (O&M) with Washington Department of Fish and Wildlife (WDFW)***

The Washington Department of Fish and Wildlife (WDFW) is requesting \$36,556 in expense funds to repaint the lift gantry at the New Cascade Fish screen facility in the Yakima River. The New Cascade Canal diversion structure, built in 1994, is located on the left bank of the Yakima River about 2-1/2 miles downstream of Thorp. 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 sites<sup>4</sup>. 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.

The epoxy paint covering the lifting gantry and screen components of the facility has deteriorated and a recoating is needed to ensure that the integrity of the metal structure is not compromised.

**Staff Recommendation:** Similar to the Council findings and decision regarding the Glead fish screen (third quarter Fiscal Year 2011) the operation and maintenance funds associated with screen facilities in the Yakima River Basin are not adequate. The needs associated with the New Cascade Canal diversion structure is another example of a maintenance activity that is overdue and needs to occur to insure that no further damage

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<sup>4</sup> 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.

occurs to the lift gantry. Based on this need the Council staff recommends that the Council support this request.

- **Project #1991-029-00, *Research, monitoring, and evaluation of emerging issues and measures to recover the Snake River fall Chinook salmon ESU***<sup>5</sup>

The US Fish and Wildlife Service (USFWS), University of Idaho, US Geological Survey (USGS) are requesting \$38,000 in expense funds to fund a graduate student at the University of Idaho to develop a sampling method that will provide the most accurate and precise redd counts using a small unmanned air system (sUAS).

The purpose of the project is to identify factors that contribute to changes in life history timing, growth, and survival of Snake River fall Chinook salmon juveniles so that decisions on hydrosystem operation and supplementation can be made informatively. The project supports several RPAs of the 2008 Federal Columbia River Power System Biological Opinion (BiOp) with the link to the listed Snake River fall Chinook ESU.

The project is requesting these funds to continue and refine a collaborative research effort with Idaho Power Company and the Nez Perce Tribe in conducting fall Chinook redd counts. In an effort to increase efficiencies in redd counts the USFWS would like to utilize collected data (both sUAS and Helicopter) and develop a sampling method and design that would provide the most accurate and precise redd counts. In addition, if the effort is successful it could inform the region to the use of this technology.

This request was initially categorized as a threshold and referred to the BOG management group at the July 5<sup>th</sup> BOG meeting. On July 18<sup>th</sup> the BOG management group agreed not to support the request. Their reasoning was that the request was not necessary to support project objectives and was outside the scope of the reviewed and recommended project. Based on the management review, the request was pooled with other within year adjustments as part of the third quarter of Fiscal Year 2012.

Staff Recommendation: The Council staff concurs with the management group analysis of the request. The request for funds to fund a graduate student to develop a sampling design for precise redd counts using a small drone is outside the scope of the project as reviewed by the ISRP and recommended by the Council. In addition, a more cost effective approach to this request would be to utilize Project #1991-051-00, *M&E Statistical Support For Life-Cycle Studies*<sup>6</sup> for this possible analysis and methods development.

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<sup>5</sup> To date this request has not received a final BOG review and recommendation.

<sup>6</sup> Project #1991-051-00, *M&E Statistical Support For Life-Cycle Studies* and work with Dr. John Skalski of the University of Washington. This project develops statistical methods for monitoring and evaluating salmonid recovery plans and provides added-value analyses and statistical support on regional fisheries issues in the Fish and Wildlife Program.

**Attachment 1: Within-year project funding adjustments received as part of the third quarter of Fiscal Year 2012.**

Type	Project #	Project Title	Sponsor	FY 2012 Budget (BPA)	Request	Status
<b>Quarterly</b>						
	1984-025-00	Blue Mountain Fish Habitat Improvement	ODFW	\$386,929	\$150,780	August decision
	1992-009-00	Yakima Phase II Fish Screens Operations and Maintenance (O&M) with Washington Department of Fish and Wildlife (WDFW)	WDFW	\$180,213	\$36,556	August decision
<b>Threshold<sup>7</sup></b>						
	1991-029-00	Research, monitoring, and evaluation of emerging issues and measures to recover the Snake River fall Chinook salmon ESU	USFWS, University of Idaho, USGS	\$538,919	\$38,000	August decision
<b>Category</b>						
	1995-057-00	Southern Idaho Wildlife Mitigation	IDFG	\$4,845,000	\$185,000 <sup>8</sup> (capital)	Wildlife Categorical Review

<sup>7</sup> Thresholds are requests that are within 10 percent of the reviewed and approved project budget and less than \$75,000. Not supported - BOG Management on July 18, 2012.

<sup>8</sup> Additional funds to cover the appraised amount associated the Sandy Point/RJ Highland Property.

**Attachment 2: Letter received on July 26, 2012 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

July 26, 2012

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 Fiscal Year 2012 second quarter review of within-year budget and/or scope modification requests of submissions reviewed by BOG in January, February, and March. These requests were presented at the July 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:** 1984-025-00

**Project Name:** Blue Mountain Fish Habitat Improvement

**Contractor:** Oregon Department of Fish and Wildlife

**BPA-COTR:** Joe DeHerrera

**BPA Manager:** Paul Krueger

**Budget Year/Amount Requested:** FY12/\$150,780

**Funding Type:** Expense

**How does this project support a Biological Opinion?** This project supports RPA 34 and 35 Protect and Improve Tributary Habitat of the FCRPS Biological Opinion.

**Explanation of Need:**

The Oregon Department of Fish and Wildlife (ODFW) requests \$150,780 in additional funds to secure a 143.6 acre riparian protection easement in the Joseph Creek tributary to the Grande

Ronde River. The purpose of the Blue Mountain Fish Habitat Improvement project is to protect, restore and enhance stream and riparian habitats in the Grande Ronde and Imnaha subbasins. ODFW typically enters into 10 to 15 year easement agreements with participating landowners to implement, monitor and maintain riparian protection projects on their properties. The easement for the protection actions implemented on the Joseph Creek property expired in 2005, the property has sold twice, and the new owner is interested in resigning the easement to maintain existing protection actions and additionally explore off-site water developments. However, the landowner would like to receive an annual payment similar to the Conservation Reserve Enhancement Program (CREP). ODFW would like to provide this annual funding to landowners to encourage resigning of easements and to encourage longer timeframes on negotiated easements. ODFW has considered annual payments comparable to CREP payments factoring in the cost of maintenance and monitoring, and is proposing \$70.00 per acre per year with a total annual payment of \$10,052 for 143.6 acres, for a total of \$150,780 for the minimum life of a 15 year riparian easement.

**BPA Recommendation:** BPA does not support this request. BPA recommends ODFW to frame and prioritize this approach for all their habitat projects within the upcoming geographical categorical review. A programmatic approach should be considered rather than a project-by-project proposal.

**Project Number:** 1992-009-00

**Project Name:** Yakima Phase II Fish Screens Operations and Maintenance (O&M) with Washington Department of Fish and Wildlife

**Contractor:** WDFW

**BPA-COTR:** Jay Marcotte

**BPA Manager:** Peter Lofy

**Budget Year/Amount Requested:** FY12/\$36,556

**Funding Type:** Expense

**How does this project support a Biological Opinion?** This project supports RPA 35 of the FCRPS Biological Opinion.

**Explanation of need:**

Washington Department of Fish and Wildlife (WDFW) Yakima Construction Shop (YCS) is requesting \$36,556 in additional funds to cover the cost associated with repainting the lift gantry at the New Cascade Fish screen facility in the Yakima River. The New Cascade Canal Fish Screen facility was designed by the Bureau of Reclamation (BOR) and was constructed using funds provided by BPA in July 1994. BPA maintains ownership of the site and provides the funds necessary to operate and maintain the facility. The BOR performs a Review of Operations and Maintenance (RO&M) routinely at fish screening sites funded by BPA. The 2004 and 2008 RO&M inspections recommended cleaning and coating the deteriorating monorail frame metalwork to maintain the integrity of the structure.

**BPA Recommendation:** BPA supports the work, and recommends the sponsor to work with their BPA Project Manager/COTR to reprioritize work within their existing contract for O&M on screens.

**Project Number:** 1991-029-00

**Project Name:** Research, Monitoring, and Evaluation of emerging Issues and Measures to Recover the Snake River Fall Chinook Salmon ESU

**Contractor:** US Fish and Wildlife Service

**BPA-COTR:** Debbie Docherty

**BPA Manager:** Paul Krueger

**Budget Year/Amount Requested:** FY12/\$38,000

**Funding Type:** Expense

**How does this project support a Biological Opinion?** This project supports RPAs 50.3, 53.1, 53.2, 55.4, 64.2, 65.1, 65.2, and 65.3 of the FCRPS Biological Opinion.

**Explanation of need:**

The USFWS, University of Idaho, and US Geological Survey are requesting \$38,000 in expense funds for a graduate student at the University of Idaho to develop a sampling method and design using existing small unmanned air system (sUAS) and helicopter survey data (the control data set) collected in a previous field season. The goal is to provide more accurate, precise and efficient redd counts using sUAS. This endeavor is a collaborative research effort with Idaho Power Company (that will provide significant cost share) and the Nez Perce Tribe. We believe the additional work falls within the current scope of work by encouraging the use of statistical analysis when newly proposed techniques for data collection are used. If this effort is successful, it could inform the use of this technology and method in other basins and decrease future costs for similar work currently done by helicopter.

**BPA Recommendation:** BPA does not support this request. The proposed work may support the objectives of the project but does not appear to be within the scope of the review by ISRP. Additionally, while the assessment of new technology may, in time, provide opportunity for efficiencies, it is not needed for the integrity of the project. Finally, at this time, current budget constraints do not allow expansion or embellishment of project scope.

**Summary**

In summary, the total expense funding requested from sponsors in this letter is \$225,336. While each of the proposals may have merit, we do not support the request for additional funding. At this time, our current budget constraints do not allow us to provide any additional funding to projects except in rare circumstances. BPA will continue to work closely with Council staff to ensure that we have a common understanding of any proposals and subsequent recommendations

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



**Attachment 3. Fiscal Year 2012 within-year balance, based on Council recommendations to Bonneville for BiOp and Non-BiOp placeholders, including third quarter FY 2012 requests.**

Project #	Project Title	Sponsor	Decision Quarter	Fiscal Year 2012	
				BiOp Placeholder	Non-BiOp Placeholder
				\$2,000,000	\$1,000,000
<b>Actions Recommended by Council and Approved by BPA</b>					
1988-115-25	Yakima River Design & Construction (YKFP)	Yakama Tribe/BPA	FY11-Q3		\$150,000
1992-061-03	Albeni Falls Wildlife Mitigation-IDFG	Idaho Department of Fish & Game	FY11-Q4		\$35,000
2010-035-00	Abundance, Productivity and Life History of Fifteenmile Creek Winter Steelhead	Oregon Department Of Fish and Wildlife	FY12-Q1	\$18,000	
1983-436-00	Umatilla Passage Operations and Maintenance (O&M)	Westland Irrigation District	FY12-Q1	\$30,689	
1997-030-00	Chinook Salmon Adult Abundance Monitoring	Nez Perce Tribe	FY12-Q1	\$85,000	
1983-436-00	Umatilla Passage Operations and Maintenance (O&M)	BPA/Westland Irrigation District	FY12-Q2	\$100,165	
2012-005-00	Siletz Tribe Coordination	Confederated Tribes of Siletz Indians	FY12-Q2		\$12,023
<b>Placeholder balances</b>				<b>\$1,766,146</b>	<b>\$802,977</b>
<b>Actions recommended by Council, but Pending BPA decision</b>					
1995-033-00	Yakima Phase II Fish Screens O&M with Bureau of Reclamation (BOR)	Bureau of Reclamation	FY11-Q4	\$575,000 <sup>9</sup>	
<b>Pending decisions associated with the second quarter FY 2012</b>					
1984-025-00	Blue Mountain Fish Habitat Improvement	ODFW	FY12-Q3	\$150,780	
1992-009-00	Yakima Phase II Fish Screens Operations and Maintenance (O&M) with Washington Department of Fish and Wildlife (WDFW)	WDFW	FY12-Q3	\$36,556	
1991-029-00	Research, monitoring, and evaluation of emerging issues and measures to recover the Snake River fall Chinook salmon ESU	USFWS, University of Idaho, USGS	FY12-Q3	\$38,000	

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<sup>9</sup> In FY 2012 Bonneville may only address \$30,000 of the request associated with permitting and environmental review. Per request - *Environmental compliance 8/11-4/12 \$30,000*