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Chair
Montana

Rhonda Whiting
Montana

W. Bill Booth
Idaho

James A. Yost
Idaho



Joan M. Dukes
Vice-Chair
Oregon

Bill Bradbury
Oregon

Tom Karier
Washington

Phil Rockefeller
Washington

July 28, 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 \$174,473 in expense Fiscal Year 2011 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 July 12, 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 third quarter of Fiscal Year 2011.

¹ The balance for the within-year placeholder at the time of the August Council meeting packet for Fiscal Year 2011; Bi-Op Placeholder @ \$1,723,789 (out of \$2,000,000), and Non-Bi-op Placeholder @ \$699,634 (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 four requests reviewed by the BOG during the third quarter of Fiscal Year 2011, one request is seeking a decision in August. As outlined in the attached table (see Attachment 1), one request triggered the threshold adjustment as part of the budget-tracking process, one request was within the recommendation made as part of the wildlife categorical review, and one request is currently under review by the BOG Management Group. Based on staff review and comment received, the staff will bring to the Committee and the Council a recommendation at the August meeting.

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

ANALYSIS

The following addresses the one request and the Council staff's recommendations. In addition, on July 26, 2011, the Council received a letter from Bonneville summarizing the within-year request being considered during the third quarter of Fiscal Year 2011 (see Attachment 2).

Following is a brief summary of the project request.

Quarterly

- **Project #2000-027-00, *Malheur River Wildlife Mitigation***

The Burns-Paiute Tribe (BPT) is requesting an additional \$174,473 in expense funds to cover costs associated with the replacement of a diversion dam on the Malheur River that was lost due to an ice flow event in 2006.³

This wildlife project manages 6,385 deeded acres of wet meadow, wetland and sagebrush steppe habitats along the Malheur River. In addition, the project addresses 4,154 acres leased from the Department of State Lands, and 21,242 acres leased from the Bureau of Land Management.

This request has been before Council in the past and was recommended for a \$195,845 budget adjustment on February 10, 2010.⁴

Since the previous approval it was determined that the diversion design did not provide adequate attraction flows for fish passage at all flow levels of the Malheur River. Currently, the Oregon Department of Fish and Wildlife requires attraction flows to be maintained at a minimum for 10% at all flow volumes. The Malheur River flow at the diversion location fluctuates from greater than 1,000 CFS to lower then 100 CFS. Based on this understanding the BPT investigated other options for supplying water (e.g., sprinkler or gated pipe option) and repairing the ongoing bank erosion but found them to be cost prohibitive.

³ This is the only diversion associated with this project. The Burns Paiute Tribe acquired the Denny Jones Ranch in Juntura, Oregon in November 2000.

⁴ The request for \$195,845 exceeded the budget flexibility provided for in the proposed five year annual expense budget in the Wildlife Categorical Review.

The current diversion structure/fish weir design will meet Oregon Department of Fish and Wildlife requirements⁵ and has a total cost of \$380,700. After subtracting the portion paid in previous engineering fees \$10,382 (engineering costs associated with the previous request), and the previous change request, \$195,845, there is a budget shortfall of \$174,473.

Staff Recommendation: Based on the past support and the needs associated with this request the Council staff recommends that the Council support this budget adjustment to replace the diversion dam on the Malheur River.

⁵ Letter received by the BPT dated June 20, 2011 from Ken Loffink, ODFW Assistant Fish Passage Coordinator.

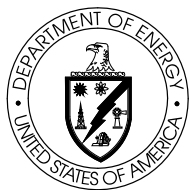
Attachment 1: Within-year project funding adjustments received as part of the third quarter of Fiscal Year 2011.

Type	Project #	Project Title	Sponsor	FY 2011 Budget (BPA)	Request	Status
Quarterly						
	2000-027-00	Malheur River Wildlife Mitigation	Burns-Paiute Tribe	\$536,885 ⁶	\$174,473	August Decision
	1988-115-25	Yakima River Design and Construction - YKFP	Bonneville Power Administration	\$56,000	\$375,000	BOG Management ⁷
Threshold						
	2002-035-00	Riparian Buffers in Gilliam County	Gilliam County Soil and Water Conservation District	\$77,191	\$1,600	Threshold, 6/9/11 approved
Category						
	1992-061-00	Albeni Falls Wildlife Mitigation	Coeur D'Alene Tribe	\$423,663	\$9,600	Wildlife Category Review, 6/9/11 approved

⁶ Includes the \$195,845 within year adjustment approved by the Council on February 10, 2010.

⁷ The BOG deferred to the Management Group due to the regulatory nature of this request to provide mitigation for wetland impacts due to the operation of the Cle Elum Hatchery. Currently negotiation are underway with the Washington Department of Ecology for confirmation that the proposed Tillman Creek mitigation/restoration is complete and provide necessary mitigation required for the Well 3 wetland impacts. BOG management decision is deferred until additional detail and confirmation is received.

Attachment 2: Letter received on July 26, 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

July 26, 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 third quarter review of within-year budget and/or scope modification requests for Fiscal Year 2011 [submissions reviewed by BOG in April, May and June]. 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: 2000-027-00
Project Name: Malheur River Wildlife Mitigation
Contractor: Burns-Paiute Tribe
BPA-COTR: Joe DeHerrera
BPA Manager: Paul Krueger
Budget Year/Amount Requested: FY11 / \$174,473
Funding Type: Expense

How does this project support a Biological Opinion? This project does not support a Bi-Op.
Explanation of need: The Malheur River Wildlife Mitigation project is requesting additional funds to cover the cost of replacing the diversion dam structure damaged in a 2006 flooding event. In March 2010, the project received \$195,845 after going through the BOG process for the same request. However due to Oregon Department of Fish and Wildlife (ODFW) fish passage requirements that a fish passage structure pass at least 10% of the flow at all volumes,

major engineering changes were required to accommodate the Malheur River fluctuations that range from greater than 1,000 cubic feet per second (cfs) to less than 100 cfs. The original design allowed fish passage, but had little to no attraction water. The current design is a large pool and weir structure that will meet the design criteria and receive ODFW approval.

BPA Recommendation: BPA supports this request for additional funds to replace the diversion structure. Replacement of the diversion is needed to meet the fish and wildlife objectives of the Malheur River Wildlife Mitigation project.

Summary

In summary, the total of expense funding requested in this letter is \$174,473. We believe these projects are consistent with priorities identified during previous Council reviews and/or other BPA and Council discussions.

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

cc: (Electronic mail)

Mr. Mark Fritsch, Northwest Power and Conservation Council
Mr. Karl Weist, Northwest Power and Conservation Council
Ms. Stacy Horton, Northwest Power and Conservation Council
Ms. Marnie Tyler, Northwest Power and Conservation Council
Mr. Jeff Allen, Northwest Power and Conservation Council
Mr. Kerry Berg, Northwest Power and Conservation Council
Ms. Jann Eckman, Columbia Basin Fish and Wildlife Authority