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Chair
Idaho

James A. Yost
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Oregon

April 30, 2009

DECISION MEMORANDUM

TO: Council Members

FROM: Mark Fritsch, project implementation manager

SUBJECT: Council decision on Second Quarter within-year project-funding requests

PROPOSED ACTION: Approve six of the within-year project-funding requests as defined and conditioned by staff.

BUDGETARY/ECONOMIC IMPACTS

The total requested amounts are \$309,729 expense and \$1,970,000 capital funds in Fiscal Year 2009. These amounts are in addition to the Fiscal Year 2008 - 2009 funding recommendations.

BACKGROUND

The Bonneville Power Administration (Bonneville), the Council, and the Columbia Basin Fish and Wildlife Authority have formed a budget oversight group (BOG) to conduct a budget-tracking process. A principle role of the BOG is to validate whether the requests are rescheduled or within-year requests (i.e., scope change, budget change, scope/budget change, reschedule, and new request) and to place the within-year requests into one or more of the sorting categories (1-5). Reschedules are forwarded to Bonneville for assessment and funding as funds become available, and within-year requests are also forwarded to Bonneville for a recommendation on the availability of funds as identified at the quarterly reviews.

The BOG uses the quarterly reviews to initiate a prioritization process to establish which budget adjustment requests can be met with the available funding in the current fiscal year project budget. This process also includes a public comment period.

On April 14, 2009, the Council staff presented the requests and reviewed the schedule for the within-year budget adjustment requests for the Second Quarter of Fiscal Year 2009.

The comment period associated with these requests closed on April 24th. No comments were received.

ANALYSIS

Of the 13 requests reviewed by the BOG during the Second Quarter of Fiscal Year 2009, six requests will need a decision in May. The remaining seven projects were addressed as follows.

- Three requests were withdrawn by the sponsor (i.e., these were determined by BOG to be within scope),
- One request triggered the threshold adjustment as part of the budget-tracking process,
- One request was elevated to the BOG management group and the Council took action at the April meeting,
- One request was dealt with by Bonneville in contracting¹, and
- One request was addressed as part of a Council decision on August 13, 2008, that acknowledged the sequence associated with the Klickitat River Anadromous Fisheries Master Plan in the Columbia Basin Fish Accords that reflected the construction of the Castile and Lyle Falls facilities in 2009.²

The following categories, as outlined in the attached table (see Attachment 1), address the 13 project requests and the Council staff's recommendations associated with the six requests seeking recommendations. In addition, on April 30, 2009, the Council received a letter from Bonneville summarizing these within-year requests being considered during the Second Quarter of Fiscal Year 2009 (see Attachment 2).

Category 3a: Threats to Project Integrity - (a) that jeopardize the performance of the entire project

- Project 2007-265-00, *Bitterroot Watershed Subbasin Plan*

The Montana Water Trust is requesting a \$50,000 increase in expense funding for Fiscal Year 2009 to coordinate stakeholder involvement and synthesizing the information developed by the technical advisory committee and subcommittees into the final management plan. The objective of this project is to develop a subbasin management plan for the Bitterroot that meets the Council's requirements for adoption as an amendment to its Fish and Wildlife Program.

Staff Recommendation: Bonneville supports the budget adjustment of \$50,000 for this request. The Council staff recommends that the Council also approve this request.

Category 3b1: Threats to Project Integrity - (b) that jeopardize the performance of a discrete task or objective; (1) adverse biological consequences to the project

¹ At the April BOG meeting it was determined that this request should be addressed through BPA contracting since it was within the three-year budget as recommended for this project.

² Project #1988-115-35, *Klickitat Fishery YKFP Design and Construction*. Based on this Council decision and the associated ISRP review, it was determined that if the final permits are secured prior to the Step 2 submittal (late 2009), the Council recommended that the construction of these facilities be addressed through the BOG process. The engineer's total capital construction costs estimate for the Castile and Lyle Falls facilities stands at \$6,992,290. Year one ('09) of the project is anticipated to require approximately \$5,593,832 (80 %) with the remaining \$1,398,458 (20%) the second year ('10).

- 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 \$100,000 for design work to correct issues associated with the Naches-Cowiche fish screen bypass outfall. It has been determined that annual maintenance is not sufficient to ensure operating criteria is being met. This need not only addresses the outfall, but also reduces the potential for entrainment into the canal. Council staff does note that if construction funds for the proposed modification are not secured that funds associated with construction may be requested. If provided these design funds, the BOR will be better prepared to line up funds for construction in 2011.

Staff Recommendation: Council staff recommends that the Council support this request for \$100,000. Bonneville also supports the budget adjustment.

- Project 2007-003-00, *Dworshak Dam Resident Fish Mitigation Project*

The Idaho Department of Fish and Game (IDFG) has requested \$44,000 in Fiscal Year 2009 expense funds to monitor and evaluate the effects of nutrient supplementation on Dworshak Reservoir water quality and biological response. The additional funds will allow IDFG to continue bi-monthly water sampling, instead of monthly, to ensure application levels of fertilizer are made for the desired ecological response.

This request is similar to the request received and acted on by the Council in May 2008 (this request was for \$55,000 in 2008 and 2009). As part of that action the Council, based on the understanding that there was an administrative requirement for bi-monthly sampling (i.e., required for permitting) and that there was a partnership that Bonneville had with the U.S. Army Corps of Engineers, recommended that the request be approved for Fiscal Year 2008 only, and that a budget adjustment for Fiscal Year 2009 depends upon the U.S. Army Corps of Engineers and Bonneville meeting to determine responsibility for this cost in the future.

The U.S. Army Corps of Engineers can not continue to fund the additional sampling period and the efforts from Bonneville have not convinced them otherwise. It is important to note that the additional sample provides better confidence that the application for the nutrient supplement will be applied more accurately than if water chemistry is sampled only once a month. It is also important to understand that this bi-monthly sampling is needed through calendar year 2011 (the end of the five-year pilot study). In 2011, determinations for the next phase of the project need to be made. If the project is successful and efforts to move into a longer-term implementation phase are made, then monitoring efforts will be scaled back considerably to just include those variables that quickly signal changes in reservoir conditions.

Staff Recommendation: Council staff recommends that the Council support this request for \$44,000.

Category 4: Lost Opportunity

- Project 1992-068-00, *Willamette Basin Mitigation*

The Oregon Department of Fish and Wildlife (ODFW) is requesting \$1,970,000 in Fiscal Year 2009 capital funds to acquire conservation easements on three parcels in the mid-Willamette Valley for wildlife mitigation. The proposed easements link to adjacent or nearby aggregations of conservation properties including EE Wilson Wildlife Area, Bower's Rock State Park, Truax Island, Riverside Landings, Camp Adair, and Luckiamute Natural Areas.

- The Ed Rust Property southwest of Bowers Rock State Park is approximately 200 acres of agricultural and riparian lands. The property is within the 100-year Willamette River floodplain and includes a major remnant side channel. If approved, this acquisition has the potential to aggregate adjacent properties (State and private) into a conservation zone that includes 4-5 river miles of the mainstem Willamette.
- The second Ed Rust Property adjacent to Buena Vista Road includes approximately 120 acres of wetlands, agricultural land, and upland hardwood forest (ash/maple). The property is adjacent to the confluence of the Willamette, Luckiamute, and Santiam rivers. It would become a part of a major aggregation of conservation or buffered lands that include Luckiamute Natural Area (918 ac), EE Wilson Wildlife Area (1600+ acres), Camp Adair (600 ac), and Valley Landfill (200 ac).
- The Cliff and Gay Hall property comprises approximately 85 acres. The site contains a diversity of important habitats including riparian areas along Maxfield Creek and the Luckiamute River, wetlands, ponds for wintering waterfowl, grasslands and upland prairie. The property is located directly adjacent to the Thomas Paine Farms property where Greenbelt Landtrust holds a conservation easement on 145 acres. Protection of the Hall property along with the existing easement on the Paine property protects over 2.5 miles of streamside habitat along the Luckiamute River.

In 2000, ODFW and Bonneville developed a MOA for mitigation projects in the Willamette Basin. Through acquisitions, enhancements, and other restoration activities Bonneville has been credited with approximately 4,717 HU's for Willamette wildlife loss assessments and protected in perpetuity 5735 acres. The proposed new additions to this list of properties will provide approximately 300-400 additional HUs as part of the current ledger of mitigation credits.

The Willamette Subbasin currently has the largest existing mitigation debt for wildlife in the Columbia Basin. Approximately 91,000 HU's remain from the original loss assessments. These acquisitions would target oak woodland, riparian, and upland prairie. The Willamette Subbasin Plan and the Oregon Conservation Strategy identified similar priority habitats in the Willamette Ecoregion.

Staff Recommendation: Council staff recommends that the Council support this request for \$1,970,000 in Fiscal Year 2009 capital funds.

Category 5: Other

- Project 1998-028-00, *Trout Creek Watershed Restoration*

The request received from Jefferson County, Oregon, SWCD does not seek additional funds, but sponsors desire a scope change for additional work elements to allow them to continue implementing projects in Fiscal Year 2009. Sponsors completed all the work associated with the contract developed from the reviewed and recommended project proposal.

Staff Recommendation: Council staff recommends that the Council not support this request for the addition of “new” work elements. It is important to note that work elements are not site-specific, but are action-specific. Therefore, if the actions are the same as to what was reviewed and recommended as part of the Fiscal Year 2007-2009 solicitation then there is no need to acknowledge a scope change and that any adjustment could be accomplished through contracting. If this request is for new work elements then it seems that the scope change should be addressed as part of the Council’s anticipated geographic review. Review at that time would also allow for any new work elements associated with this Trout Creek project to be understood in context to other projects that are active in the creek (i.e., Project 1994-042-00, Trout Creek Fish Habitat Restoration Project).

- Project 2006-006-00, *Habitat Evaluation Project*

The Columbia Basin Fish & Wildlife Authority (CBFWA) is requesting \$115,729 in Fiscal Year 2009 funds to ensure that baseline and follow-up Habitat Evaluation Procedures (HEP) surveys and reports are completed in a timely manner and other HEP crediting tasks and requests for HEP-related information/data are addressed. The reviewed and recommended purpose of this project is to conduct Habitat Evaluation Procedures (HEP) on existing and new mitigation project lands and to provide technical oversight, review, and audits of current and past HEP data. In addition, there is a need to complete the Combined Habitat Assessment Protocols (CHAP) pilot study initiated to determine the efficacy of using CHAP to estimate HU credits in the Willamette Valley.

Staff Recommendation: Council staff recommends that the Council support this request for \$115,729. The HEP survey needs and associated administrative work have continued to grow. Follow-up HEP surveys are due for many of the mitigation project lands acquired through the Program.

Attachment 1: Within-year project funding adjustments received as part of the second quarter of Fiscal Year 2009.

Category	Project #	Project Title	Sponsor	FY 2009 Budget (BPA)	Request 2009	Status
3a						
	1988-115-35	Klickitat Fishery YKFP Design and Construction	YN	\$8,715,573 (capital)	\$5,593,832 (capital)	August '08 decision
	2007-265-00	Bitterroot Watershed Subbasin Plan	Montana Water Trust	\$50,000	\$50,000	2 nd Quarter Decision - Approval.
3b1						
	1995-033-00	Yakima Phase II Fish Screens Operations and Maintenance (O&M) with Bureau of Reclamation (BOR)	BOR	\$104,877	\$100,000	2 nd Quarter Decision - Approval.
	2007-003-00	Dworshak Dam Resident Fish Mitigation Project	IDFG	\$160,000	\$44,000	2 nd Quarter Decision - Approval.
3b2						
	2003-072-00	Habitat and Biodiversity Information System for Columbia River Basin	NHI	\$157,831	\$64,294	April 14, 2009 decision
4						
	1992-068-00	Willamette Basin Mitigation	ODFW	\$0	\$1,970,000 (capital)	2 nd Quarter Decision - Approval.
	2002-003-00	Secure and Restore Fish and Wildlife Habitat in Montana	Confederated Tribes of the Salish and Kootenai	\$5,911,000	\$3,688,700 (capital)	BPA Contracting
	2007-400-00	Wenatchee River Subbasin Fish Passage Enhancement	Chelan County Natural Resource Department	\$1,020,745 (capital)	\$948,556	Withdrawn by Sponsor
5						
	1995-011-00	Chief Joseph Kokanee Enhancement	Colville Tribes	\$509,000	NA	Withdrawn by Sponsor
	1997-024-00	Avian Predation on Juvenile Salmonids	Bonneville	\$505,000	\$21,000	Threshold
	1998-028-00	Trout Creek Watershed Restoration	Jefferson SWCD	\$165,000	\$0, Scope	2 nd Quarter Decision - Declined
	2003-017-00	Integrated Status and Effectiveness Monitoring Program (ISEMP)	Quantitative Consultants, Inc	\$4,500,000	NA	Withdrawn by Sponsor
	2006-006-00	Habitat Evaluation Project	CBFWA	\$267,000	\$115,729	2 nd Quarter Decision - Approval.

Attachment 2: Letter received on April 30, 2009 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

April 30, 2009

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 first quarter review of within-year budget and/or scope modification requests for Fiscal Year 09 [submissions reviewed by BOG in January, February, and March]. These requests were presented at the April Fish and Wildlife Committee Meeting, and a 14-day public comment period was opened. As a result of the BOG review, consideration of any comments, and Council recommendations, the Bonneville Power Administration (BPA) has arrived at the following draft decisions.

Project Funding Requests

Category 3a

Project Number: 2007-265-00

Project Name: Bitterroot Watershed Subbasin Plan

Contractor: Montana Water Trust

BPA-COTR: Jan Brady

BPA Manager: Paul Krueger

Budget Year/Amount Requested: 2009 / \$50,000

Funding Type: Expense

How does this project support a Biological Opinion?: It does not support a BiOp.

Explanation of need: The Bitterroot Watershed Subbasin Plan project is requesting additional funding to complete the subbasin plan. The ultimate goal of the project is to create a meaningful and useful subbasin plan for the Bitterroot watershed that is borne out of a collaborative process with stakeholders in the subbasin. The budget shortfall would require a reduction in the existing scope of the project which would result in an incomplete or uninformed management plan

because it would require the elimination of technical stakeholder involvement in the development of conservation and restoration objectives and priorities. The remaining work elements to be completed with additional funding are coordinating stakeholder involvement and synthesizing the information developed by the technical advisory committee and subcommittees into the final management plan document.

BPA Recommendation:

The Bonneville Power Administration supports the within-year request for \$50,000 in increased funds for contract 38996 under project 2007-265-00 (Bitterroot Watershed Subbasin Plan).

The Montana Water Trust requires these funds to complete the subbasin plan it was authorized to undertake by Council in the FY06-09 solicitation. The Bitterroot plan, as well as the Blackfoot, both in Montana, were not completed during Council's subbasin planning process due to lack of sponsors at the time. Funding request is approved.

Category 3b1

Project Number: 1995-033-00

Project Name: Yakima Phase II Fish Screens Operations and 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: 2009 / \$100,000

Funding Type: Expense

How does this project support a Biological Opinion?: This project supports the FCRPS 2008 Bi-Op RPA 34 to protect and improve tributary habitat. The design will allow BPA and US Bureau of Reclamation to identify the best option to eliminate mortality, entrainment and delay of mid-Columbia steelhead.

Explanation of need: The Yakima Phase II Fish Screen O&M project is requesting additional funding to design a new bypass outfall that can withstand the gravel inundation that has currently been experienced at this diversion in recent years. The fish screen bypass outfall for the Naches-Cowiche fish screens is completely buried with streambed material. There is no route for fish that pass by the fish screens to safely return to the river. The fish that are entrained into the headgate for the Naches Cowiche diversion must turn around and try to pass back upstream through the headgate to the river to survive, which they are not likely to do. The fish will swim in front of the fish screens until exhausted, at which time they will become impinged on the fish screens or the gravel that is blocking the bypass outfall and die, or become entrained into the canal system.

BPA Recommendation:

BPA supports this request for design funding.

Category 3b1

Project Number: 2007-003-00

Project Name: Dworshak Dam Resident Fish Mitigation

Contractor: Idaho Department of Fish and Game (IDFG)

BPA-COTR: Roy Beaty

BPA Manager: Paul Krueger

Budget Year/Amount Requested: 2009 / \$44,000

Funding Type: Expense

How does this project support a Biological Opinion?: It does not support a BiOp.

Explanation of need: The Dworshak Dam Resident Fish Mitigation project is requesting additional funding to cover the lab analysis costs of continuing twice-monthly limnological sampling in Dworshak Reservoir. This IDFG sampling monitors natural reservoir conditions and responses to weekly Corps-funded fertilization. The objective of this collaborative project is to improve reservoir conditions and the abundance and productivity of fish populations that reside in the reservoir (e.g., kokanee, bull trout, etc.). The project's initial study plan called for twice monthly sampling only in the first year (2007), although the consulting limnologist has since recommended continuing the more frequent sampling through the first five years. Twice-monthly sampling improves the ability to track and understand the development of undesirable conditions (e.g., blooms of blue-green algae) and to adjust fertilizer applications accordingly. Lab costs in 2007 were funded by the Corps, and those in 2008 were BPA-funded through a \$55,000 within-year request to the BOG.

An objective of the 5-year pilot program (2007-11) is to determine what sampling is needed in the longer-term. The parties agree that twice monthly sampling is useful to provide real-time information on the nutrient (nitrogen) levels in the reservoir and to manage subsequent nitrogen applications. Monthly sampling in 2008 would likely have missed a bloom of microcystin which was a potential public health threat and could have led to closure of beaches and public facilities. Because sampling efforts detected the microcystin, nitrogen applications ceased until the bloom subsided.

It is important to document the reservoir's response to fertilization across a variety of water years. Twice monthly sampling data collected during this five-year pilot project will be the primary tool used by the Corps, IDFG, IDEQ, and EPA, to evaluate its potential benefits and impacts and will assist in determining whether the supplementation program should be implemented in future years.

BPA Recommendation:

BPA proposes to support this within-year request for twice monthly sampling in 2009, with funding in 2010-11 contingent on continuing analysis by IDFG that shows that the more frequent sampling provides important information utilized for managing risk, real-time decisions, and benefits of continuing the program in future years. BPA will also continue to coordinate with the Corps for potential use of funds provided to the Corps under the direct funding agreement for O&M, if feasible. However, BPA has asked the Corps to reduce its planning budgets for FY10-11 in response to the regional economic environment and upward pressure on our power rates, so opportunities to incur additional costs for unanticipated water quality monitoring in Dworshak reservoir would come at the cost of other compliance and BiOp activities already prioritized and planned.

Category 3b2

Project Number: 2003-072-00

Project Name: Habitat and Biodiversity Information System for Columbia River Basin

Contractor: Northwest Habitat Institute

BPA-COTR: John Piccininni

BPA Manager: Jamae Hilliard- Creecy

Budget Year/Amount Requested: 2009 / \$64,294

Funding Type: Expense

How does this project support a Biological Opinion?: This project supports on-going data management related to RPA #71 and # 72.

Explanation of need: The Northwest Habitat Institute (NHI) project is requesting additional funding in order to replace equipment which failed (large plotter) and to replace / upgrade its computers and network which have been in place since 2004. Cost of equipment replacement and staff time needed to replace and upgrade is \$69,204 (including \$35,472 for Supplies – Equipment).

BPA Recommendation:

This request was recommended by the Council as an emergency action at the April Council meeting and approved by BPA following the meeting.

Category 4

Project Number: 1992-068-00

Project Name: Willamette Basin Mitigation

Contractor: Oregon Department of Fish and Wildlife (ODFW)

BPA-COTR: Dorie Welch

BPA Manager: Paul Krueger

Budget Year/Amount Requested: 2009 / \$1,970,000

Funding Type: Capital

How does this project support a Biological Opinion?: All three of the properties include a mix of habitat types that will benefit a variety of species and will help BPA to advance its wildlife mitigation goals. In addition, the properties provide benefits to listed fish species and will help BPA work towards the habitat restoration/protection goals outlined in the 2008 Biological Opinion for the Willamette Projects (2 completed projects by the end of 2010). Finally, habitat enhancement cost share has already been identified for the Rust property near the mainstem of the Willamette – OWEB has committed to providing restoration funding if BPA provides funding for the easement acquisition.

Explanation of need: The project is requesting \$1,970,000 in additional capital funding to acquire conservation easements on three properties:

- The Ed Rust Property southwest of Bowers Rock State Park is approximately 200 acres of mix agricultural and riparian lands.

- A second part of the Ed Rust Property, adjacent to Buena Vista road, includes approximately 120 acres of wetlands, agricultural land, and upland hardwood forest (ash/maple).
- The third property is the Cliff and Gay Hall property that is located at 38970 Kings Valley Highway in Benton County, Oregon. The property comprises approximately 85 acres. The Greenbelt is proposing to obtain an easement on 80 acres of the site that will exclude the homesite and associated outbuildings (5 acres) from the easement. The site contains a diversity of important habitats including riparian areas along Maxfield Creek and the Luckiamute River, wetlands, ponds for wintering waterfowl, grasslands and upland prairie.

BPA Recommendation:

BPA supports this request. As represented in Table 11.4 from the Council's 2000 Fish and Wildlife Program, the wildlife losses in the Willamette total to 94,402 habitat units (HUs). BPA feels that this is overestimated due to the fact that the Willamette loss assessments used an area larger than the area at full pool in the loss calculation. We also feel that the mitigation completed to date, approximately 4,717 HUs, is underestimated due to inconsistent species stacking, which is primarily a result of the lack of suitable HEP models for the Willamette target species. However, we agree that there continue to be valuable habitat acquisitions that will contribute toward our mitigation requirements in the Willamette and that we should continue to work make acquisitions while we simultaneously work within the Willamette to clearly define the remaining mitigation. The proposed acquisitions will work toward meeting these objectives - they will protect a minimum of 380 HUs. That number is likely to increase once a field HEP survey is completed, which will occur the summer after the easements are acquired.

Category 4

Project Number: 2002-003-00

Project Name: Secure and Restore Fish and Wildlife Habitat in Montana

Contractor: Salish and Kootenai Confederated Tribes

BPA-COTR: Cecilia Brown

BPA Manager: David Byrnes

Budget Year/Amount Requested: 2009 / \$3,688,700

Funding Type: Capital

How does this project support a Biological Opinion?: It does not support a BiOp.

Explanation of need: The project is requesting \$3,688,700 in additional capital funding to protect resident fish habitat in the Flathead Subbasin in Montana through fee title acquisition or conservation easement. The Salish & Kootenai Confederated Tribes and Montana Fish, Wildlife and Parks are working with BPA to protect critical fish habitat in-perpetuity through acquisition and conservation easements. Completion is scheduled for September 30, 2009 which coincides with the expiration of the MOA.

This request is consistent with the MOA signed between MFWP, CSKT, and BPA. As stated in Section 1A of the MOA, "If the Co-trustees fail to expend such funds within a fiscal year, then, subject to capital availability, BPA will continue to make available the balance of unexpended funds together with the funds for the subsequent year so that the full balance will be available to

the Co-trustees for acquisition of interests in real property.” The additional funding along with the current FY09 capital budget of \$5,911,000 totals \$9,599,700.

BPA Recommendation:

BPA supports this request. This funding request falls within approved 3-year budget total for FY07-09.

Category 5

Project Number: 2006-006-00

Project Name: Habitat Evaluation Project

Contractor: Columbia Basin Fish and Wildlife Authority (CBFWA)

BPA-COTR: Joe DeHerrera

BPA Manager: Paul Krueger

Budget Year/Amount Requested: 2009 / \$115,729

Funding Type: Expense

How does this project support a Biological Opinion?: It does not support a BiOp.

Explanation of need: The Regional HEP project is requesting additional funding in order to hire a full time assistant, an additional temporary field technician, and initiate the Comprehensive Habitat Assessment Protocols (CHAP) pilot study in the Willamette Valley[] in conjunction with the Northwest Habitat Institute (NHI). This will allow the RHT to complete additional HEP surveys and report the number of associated habitat units in a timely manner.

BPA Recommendation:

BPA supports this request to ensure the backlog log in completing HEP surveys and reports is effectively addressed this year, as well as reinitiating an analysis of the CHAP approach to habitat assessment and wildlife crediting in the Willamette in order to determine its effectiveness and the validity of using it to address the outstanding issues discussed under project 1992-068-00's request. Completion of this work in a timely manner is a high priority for assessing BPA's progress toward meeting our wildlife obligations and to resolve issues of over and under valuation of HU's.

Category 5

Project Number: 1998-028-00

Project Name: Trout Creek Watershed Restoration

Contractor: Jefferson County Soil and Water Conservation District (SWCD)

BPA-COTR: Jamie Swan

BPA Manager: Peter Lofy

Budget Year/Amount Requested: Scope only Change

Funding Type: Expense

How does this project support a Biological Opinion?: This project supports the FCRPS 2008 Bi-Op RPA 34 to protect and improve tributary habitat. The proposed actions will help address water temperature and sediment issues, some of the limiting factors affecting the survival of the Deschutes – Mid Columbia steelhead.

Explanation of need: The Trout Creek Watershed Restoration project initiated this request on the assumption that the tasks proposed for implementation during the current performance period were sufficiently different than what the initial proposal called for during the past solicitations. The sponsor identified about sixteen work elements in this request that they understood needed review as possible project scope issues. These activities, however, fall within the scope that has been approved for this project based on a review of project records. This project will undergo a full review under the Council's anticipated geographic review and any changes in scope or intent will be reviewed at that time. Pursuing this issue as a scope change at this time is not warranted.

BPA Recommendation:

BPA believes that addressing the issues raised in this request is best managed as a contract administration issue. No additional review of this request is warranted at this time.

Summary

In summary, the total of expense funding requested in this letter is \$374,023; the total of capital funding requested is \$5,658,700. We believe these projects are consistent with priorities identified during previous Council provincial reviews and/or other BPA and Council discussions.

Please feel free to contact either David Byrnes at 503-230-3171 or me at 503-230-5499 for further information or if you have any questions.

Sincerely,

/s/

William C. Maslen
Director for Fish and Wildlife