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April 29, 2010

## DECISION MEMORANDUM

**TO:** Fish and Wildlife Committee members

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

**SUBJECT:** First quarter within-year project-funding requests

**PROPOSED ACTION:** At your meeting in May, Council staff will review the six requests reviewed by the budget oversight group during the second quarter of Fiscal Year 2010. Since all requests have either been addressed or deferred, no action is requested.

### 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 reschedules 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 13, 2010, the Council staff presented the requests and reviewed the schedule for the within-year budget adjustment request for the second quarter of Fiscal Year 2010.

The comment period associated with these requests closed on April 28<sup>th</sup>. Several comments were received regarding the request associated with Project #2007-127-00, *East Fork of South Fork Salmon River Passage Restoration*.

## **ANALYSIS**

Of the six requests reviewed by the BOG during the second quarter of Fiscal Year 2010, Project #2007-127-00, *East Fork of South Fork Salmon River Passage Restoration* was requesting a decision in May, but due to the comments received it has been deferred. Also, as outlined in the attached table (see Attachment 1), three requests were withdrawn, and the remaining two requests were addressed by the BOG Management Group. In addition, on April 28, 2010 the Council received a letter from Bonneville addressing the single request that was being considered during the first quarter of Fiscal Year 2010 (see Attachment 2).

### Category 2: ESA Obligation

#### *Project 2007-127-00, East Fork of South Fork Salmon River Passage Restoration*

The Nez Perce Tribe (NPT) and Bonneville is requesting a geographic scope change and additional expense funds of \$295,000 to implement restoration work within the Big Creek Watershed to protect and restore critical habitat for salmonids. The Big Creek watershed borders the East Fork of the South Fork watershed of the Salmon River and the expansion of the “South Fork Salmon River Watershed Restoration” project, to include the Big Creek Watershed is being brought forward as part of the FCRPS BiOp implementation.

The overall goal of the existing project is to restore the physical and biological characteristics of the East Fork of the South Fork Salmon River to provide quality habitat for anadromous and resident fish species. This project coordinates closely with the Payette National Forest. This request is intended to continue the reviewed and approved scope of activities, but to expand these activities into needs identified within the Big Creek watershed.

Proposed actions for Big Creek are ready to begin in 2010.<sup>1</sup> The NPT and Bonneville are requesting the Big Creek restoration actions and budget be combined with the ongoing project for two reasons. The first reason is that both the East Fork of the South Fork of the Salmon River and the Big Creek Watershed are within the Payette National Forest and coordination of restoration actions includes the same personnel from both the NPT and Forest Service. The second is both watersheds border each other and have similar physical conditions, limiting factors, and restoration actions.

A total of six comments from residents and property owners were received during the public comment period associated with this request. Generally, the comments addressed concerns associated with the appropriate use of these funds in context to the work already accomplished, waste of funds in a watershed that has had such extensive impacts, activities are within the Frank Church River of No Return Wilderness Area therefore are not needed, and possible implication to legal issues surrounding the existing Forest

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<sup>1</sup> FY2010 work elements (WE) include removal of a fish passage barrier culvert on Big Creek above Jacobs Ladder, road decommissioning up to 10 miles of roads, and surveys of roads and stream crossing.

Service roads. Due to the comments received Council and Bonneville staff choose to defer a decision on the request until better understanding is received on the proposed action and how it relates to the concerns expressed by the local residents and land owners.

**Attachment 1: Within-year project funding adjustments received as part of the second quarter of Fiscal Year 2010.**

Category	Project #	Project Title	Sponsor	FY 2010 Budget (BPA)	Request 2010	Status
<b>2</b>						
	2007-127-00	East Fork of South Fork Salmon River Passage Restoration	NPT	\$475,190	\$295,000	Deferred
	1995-033-00	Yakima Phase II Fish Screens Operations and Maintenance (O&M) with Bureau of Reclamation (BOR)	BOR	\$104,877 <sup>2</sup>	\$22,400	BOG Management, approved 4-5-20
<b>3b1</b>						
	2003-012-00	Shillapoo Wildlife Mitigation	WDFW	\$259,766	\$40,000	Withdrawn by Sponsor
<b>3b2</b>						
	2003-007-00	Lower Columbia River Estuary Ecosystem Monitoring	LCREP	\$999,375	\$119,816	Withdrawn by Sponsor
<b>5</b>						
	2010-041-00	Powerdale Fish Facility Demolition	BPA	\$0	\$300,000	BOG Management, approved 3-22-10
	1983-350-00	Nez Perce Tribal Hatchery Operations and Maintenance (O&M)	NPT	\$2,084,051	\$320,000	Withdrawn by Sponsor

<sup>2</sup> This is Bonneville's FY 2009 SOY budget - the contractual period associated with this project runs from May 1, 2009 to April 30, 2010. Current 2009 budget is \$231,877 based on previous budget adjustments.

**Attachment 2:** Letter received in April 2010 from Bonneville regarding the status of the 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 28, 2010

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 second quarter review of within-year budget and/or scope modification requests for Fiscal Year 10 [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 2**

**Project Number:** 2007-127-00

**Project Name:** East Fork of South Fork Salmon River Passage Restoration

**Contractor:** Nez Perce Tribe

**BPA-COTR:** Jan Brady

**BPA Manager:** Paul Krueger

**Budget Year/Amount Requested:** 2010 / \$295,000

**Funding Type:** Expense

**How does this project support a Biological Opinion?** This project supports RPA 34 of the FCRPS Bi-Op.

**Explanation of need:** The East Fork of South Fork Salmon River Passage Restoration project is requesting to expand the geographic scope and additional funding to include Big Creek. The main focus of this project is to address identified habitat factors that limit the productivity of threatened Snake River spring/summer Chinook and steelhead. BPA has commitments under

RPA Action 35 of the 2008 FCRPS Biological Opinion (BiOp) to improve habitat function by 1 percent for the Big Creek Chinook population and 2 percent for the Lower Middle Fork Salmon River Mainstem steelhead population.

**BPA Recommendation:** BPA defers a decision at this time while we determine how to best engage with local landowners and public stakeholders to address issues identified during public comment.

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