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July 31, 2008

DECISION MEMORANDUM

TO: Council Members

FROM: Mark Fritsch, project implementation manager

SUBJECT: Council decision on third-quarter within-year project funding requests

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

BUDGETARY/ECONOMIC IMPACTS

The total requested amounts are \$195,411 expense and \$1,414,658 capital funds in Fiscal Year 2008, and \$122,315 in Fiscal Year 2009 expense funds. This amount is in addition to the Fiscal Year 2008 - 2009 funding recommendations.

BACKGROUND

The Bonneville Power Administration, 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 a reschedule or within-year request (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 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 July 16, 2008, the Council staff presented the requests and reviewed the schedule for the within-year budget adjustment requests for the Third Quarter of Fiscal Year 2008. The comment period associated with these requests closed on July 28th. No comments were received.

On July 31, 2008, the Council received a letter from Bonneville summarizing the within-year requests being considered during the Third Quarter of Fiscal Year 2008 (see Attachment 1, page 6).

ANALYSIS

Of the eight requests reviewed by the BOG during the Third Quarter of Fiscal Year 2008, four requests are seeking a recommendation in August. None of the requests triggered the recently adopted adjustments to the budget-tracking process (e.g., threshold). The remaining four requests have been addressed as follows.

- *Project 1998-010-0, Pittsburg Landing Fall Chinook Acclimation Facilities:* The Nez Perce Tribe requested \$18,500, for an emergency replacement of one of the 30 hp submersible pumps associated with this acclimation site. On March 18, 2008, Bonneville approved this request. This action was reviewed by BOG at the April meeting.
- *Project 1997-013-25, Yakima/Klickitat Fisheries Project Operations and Maintenance:* Bonneville requested \$10,000 to correct an error to the Fiscal Year 2007 - 2009 implementation planning budget for this project for Fiscal Year 2008 and 2009.
- *Project 2008-007-00, UCUT M&E Program:* At the request of the sponsor the request was withdrawn on June 11th.
- *Project 1990-018-00, Lake Roosevelt Rainbow Trout Habitat/Passage Improvement Program:* The request from the Colville Tribe was determined to be a pre-schedule from Fiscal Year 2009 as part of the Columbia Basin Fish Accords and was addressed on June 17th

The following categories, as outlined in the attached table (see Attachment 2, page 5), address the four project requests and the Council staff's recommendations.

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

- Project 1996-094-01, *Scotch Creek Wildlife Area*

The Washington Department of Fish and Wildlife is requesting expense funds for operation and maintenance (O&M) associated with the Eder 3,300-acre acquisition of 2007 as part of the Scotch Creek Wildlife Area complex. The 16,620-acre Scotch Creek Wildlife Area is an ongoing project to support sharp-tailed grouse recovery and to protect and enhance shrub-steppe habitats for mule deer and numerous other shrub-steppe species. WDFW's primary biological goal is to establish and maintain viable sharp-tailed grouse populations on the Scotch Creek Wildlife Area as well as on surrounding landscapes. The request is for Fiscal Year 2009 funds in the amount of \$93,596. The funds address needs associated with the initial start-up costs for transitioning the recently acquired Eder parcel from private to public lands. This includes work to provide public access, post regulations, repair or remove fencing, survey and post boundary lines, and develop a management plan. In addition, the request also includes a request for overall project O&M that requests the replacement of one of the project vehicles at \$28,000.

Staff Recommendation: As summarized above the budget modification reflects the O&M needs associated with the recently acquired Eder unit. These additional costs were not captured as part of the Fiscal Year 2007 - 2009 implementation planning budget for the project. The majority of the requested funds are for the typical transitional costs in

order to protect the integrity of the Eder unit purchased parcel. Another component of the request addresses the need for replacement of a vehicle. Bonneville is supportive of the operation and maintenance funds, but does not fully recommend the amount requested associated with the purchase of a new vehicle. Bonneville recommends that WDFW pursue a GSA lease estimated to be \$7,500/year. Council staff recommends that the Council concur with Bonneville's recommendation of \$73,096 that includes the O&M and the lease of a GSA vehicle.

Category 3b2: Threats to Project Integrity - (b) that jeopardize the performance of a discrete task or objective; (2) The loss of monitoring and evaluation data

- Project 1990-080-00, *Columbia Basin Pit-Tag Information System*

The Pacific States Marine Fisheries Commission (PSFMC) is requesting additional expense funds for Fiscal Year 2008 and Fiscal Year 2009 in the amount of \$122,315 per year. This budget modification request is to support a data management specialist (\$91,115) and a user-interface expert (\$31,200). The specialist will assist in the design and implementation of the infrastructure to support 'non-traditional' interrogation systems (i.e., M4 framework) and on-going support for traditional systems used by PTAGIS data contributors. Hiring of this specialist will also permit/facilitate PSFMC participation in the regional data management workshops (i.e., PNAMP) and other forums. The expert will assist in deployment of the user interface to link remote data collection users and the central PTAGIS database system.

Staff Recommendation: The budget adjustment requested (\$122,315) does not exceed the approved amount that the Council recommended as part of the FY 2007 - 2009 recommendations during November of 2006 (\$2,500,000/year). It is important to note that this project was conditioned as part of the Fiscal Year 2007 - 2009 recommendations as interim pending further Council consideration for the needed M&E framework. Activities addressed by PTAGIS have continued to diversify, even in the absence of a regional monitoring and evaluation framework for the region. The value of PTAGIS for management decision making, system operations and planning makes it important to sustain and improve the integrity of the PTAGIS data set to assure quality data is available. Based on this understanding the Council staff recommends that the Council concur with Bonneville and support the request.

Category 4: Lost Opportunity

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

The Oregon Department of Fish and Wildlife (ODFW) requests \$416,000 in capital Fiscal Year 2008 funds to acquire conservation easements on two properties that adjoin a property previously purchased under the project. The project purchased the existing property known as the Zena parcel (1466 acres) in 2007.

The two opportunities to secure conservation easements adjacent to the Zena parcel would create a combined 1,816 acre block of habitat that would complement and enhance conservation benefits. The first parcel is the Deumling property (190 acres), and second

parcel is the Cupich property (160 ac). These parcels will add an additional 350 acres of upland prairie, conifer forests, and oak woodland/savanna to the original Zena acquisition. This combined conservation area would represent one of the largest blocks of protected lands in the central Willamette Valley. ODFW has approximately \$1,086,000 remaining from its 2007-2009 capital allocation. The value of the easements for the combined properties is \$1,500,000. This request carries no commitment for out-year operation and maintenance costs.

- Project 2007-260-00, *Acquisition of a Conservation Easement over 1084 acres of Upland Prairie and Oak Habitat, Willamette Subbasin*

The Nature Conservancy requests \$1,000,658 in capital Fiscal Year 2008 funds associated with the acquisition of the 272-acre Neilsen property. The project's overall goal is to mitigate habitat loss and degradation through protection, restoration, and maintenance of oak, prairie, and Douglas fir habitats. The acquisition, located in the lower foothills of the coast range within the Willamette Subbasin, includes approximately 115 acres of oak woodlands and prairie habitats, approximately 30 acres of riparian shrubland - forest and approximately 125 acres of Douglas fir forest. Once acquired, the Nature Conservancy will manage the land to benefit the subbasin plan's terrestrial focal species and to meet the plan's habitat objectives using ecosystem and adaptive management principals. The sponsors expect the project to benefit at least 24 focal species identified in the Willamette Subbasin Plan including habitat for two listed species. The Nature Conservancy will provide the operation and maintenance costs associated with the acquired lands.

Staff Recommendation: The Willamette subbasin is one of the most under-mitigated wildlife areas in the Columbia River Basin. The Willamette subbasin plan places a high priority for wildlife mitigation on protection and restoration of threatened oak savanna, upland prairie, and wet meadow habitat for valley and foothill species. ODFW's Conservation Strategy¹ also includes these habitat types for the Willamette ecoregion. Both of these requests are for capital funds. Bonneville indicates that sufficient Fiscal Year 2008 capital funds exist for these conservation easements and acquisitions. Based on this information, Council staff supports these requests for a favorable Council recommendation.

¹ The Conservation Strategy is an effort to use the best available science to create a broad vision and conceptual framework for long-term conservation of Oregon's native fish and wildlife, as well as various invertebrates and native plants (ODFW, 2006).

Table 1: Summary of within-year budget adjustments and staff recommendations for the second quarter of Fiscal Year 2008.

Category	Project #	Project Title	Sponsor	FY 2008 Budget	Adjustment Request		Staff Rec.
					FY 2008	FY 2009	
3b1							
	1996-094-01	Scotch Creek Wildlife Area	WDFW	\$217,092	\$0	\$93,596	Approve @ \$73,096
3b2							
	1990-080-00	Columbia Basin Pit-Tag Information System	PSFMC	\$2,431,000	\$122,315	\$122,315	Approve @ \$122,315 for '08 and '09
4							
	1992-068-00	Willamette Basin Mitigation	ODFW	\$3,900,000 (capital)	\$414,000 (capital)	\$0	Approve @ \$414,000 ²
	2007-260-00	Acquisition of a Conservation Easement over 1084 acres of Upland Prairie and Oak Habitat, Willamette Subbasin	TNC	\$10,000 (expense)	\$1,000,658 (capital)	\$0	Approve @ \$1,000,658

² Bonneville supports a contingency for an addition of up to \$200,000 in the event the appraisal price is higher than estimated. Staff recommendation does not reflect this condition.

Attachment 1: Letter received on July 31, 2008 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 31, 2008

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 quarterly review of within-year budget and/or scope modification requests for Fiscal Year 08 [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, consideration of any comments, and Council recommendations, the Bonneville Power Administration has arrived at the following draft decisions.

Project Funding Requests

Category 3b1

Project Number: 1996-094-01

Project Name: Scotch Creek Wildlife Area

Contractor: Washington Department of Fish & Wildlife (WDFW)

BPA-COTR: Joe DeHerrera

Budget Amount: 09/\$93,596

Funding Type: Expense

Sponsor's explanation of need: The Scotch Creek Wildlife Area project is requesting additional funds for O&M costs associated with the Eder Property purchased in 2007. The Scotch Creek Wildlife Area Manager is responsible for this unit and will develop a new state management plan for operations, future habitat enhancements, and maintenance of the area. The beginning stages of conversion from private to public lands requires a large amount of work to provide access, post regulations, repair or remove fencing, survey and post boundary lines, survey wildlife and

vegetation, develop the management plan, create a SOW and begin the long process of habitat restoration. Specific activities include: weed control (materials, labor, ATV, and equipment); boundary survey; purchase vehicle for Assistant Manager; and overhead. All these activities are especially needed at the beginning of public land ownership. The current O&M budget has sufficient funds to cover the current 3000 acres, but not the additional 3300 acres recently purchased (Eder Property).

BPA Recommendation: Fund - In Part

The property was purchased in FY07, and will be managed as part of the existing Scotch Creek Wildlife Area. The associated Habitat Units have been assessed and corresponding credits assigned to Chief Joseph and Grand Coulee dams. The requested funding will be used for interim management activities and the development of a management plan which will allow the completion of NEPA. BPA supports the O&M associated with the new property and the other beginning stages of conversion. As an alternative to purchase of the new vehicle, we instead support a lease with GSA (estimated up to \$7,500/year). Therefore, \$73,096 (\$65,596 plus \$7,500) is approved based on O&M and lease of a GSA vehicle (amount to be negotiated with BPA-COTR/Manager.)

Category 3b2

Project Number: 1990-080-00

Project Name: Columbia Basin PIT Tag Information System (PTAGIS)

Contractor: Pacific States Marine Fisheries Commission

BPA-COTR: Jan Brady

Budget Amount: '08/\$122,315, '09/ \$122,315

Funding Type: Expense

Sponsor's explanation of need: The Columbia Basin PIT Tag Information System (PTAGIS) project is requesting additional funds for 3 parts identified below. The scope of this project includes providing for the long-term operations and maintenance of the PIT tag mark, release, and recovery database; the operations and maintenance of PIT tag interrogation systems located at FCRPS mainstem dams, Bureau of Reclamation facilities, and ancillary facilities as approved by the PIT Tag Steering Committee. The region's dependence and increased use of PIT tag technology in 'non-traditional' applications (e.g., flat plate technology in remote tributaries) requires modernization of systems and processes supporting more traditional applications (e.g., PIT tag detectors at dams) that have served the basin well for over fifteen years. Therefore the following changes to scope and funding are requested:

- (1) An additional database management system specialist at PTAGIS headquarters to work on overall database management system administration functions, which include developing new infrastructure to support the 'non-traditional' interrogation system applications.
- (2) Consulting resources to assist in the deployment of the new "M4" framework specifically with respect to providing the interface between the remote client data collection users and the central PTAGIS database system.
- (3) By adding an additional database management specialist, participate in the regional data management workshops (PNAMP) and other on-going forums.

BPA recommendation - Fund

BPA supports this request of \$122,315 in '08 and '09 for additional resources needed for PTAGIS to support the continuing expanded use of PIT tags as well as modernization of the systems support the “non-traditional” applications recently deployed; these tasks are necessary to support the basic regional infrastructure which in turn helps BPA meet its obligations under the Bi-Op.

Category 4

Project Number: 1992-068-00

Project Name: Willamette Basin Wildlife Mitigation Project

Contractor: Oregon Dept. Fish & Wildlife (ODFW)

BPA-COTR: Dorie Welch

Budget Amount: '08/\$414,000

Funding Type: Capital

Sponsor's explanation of need: The Willamette Basin Wildlife Mitigation Project is requesting additional funds associated with acquiring two additional conservation easements. *Zena Addition A* (190 acres) and *Zena Addition B* (160 acres) are both immediately adjacent to the Zena property located in the Willamette Valley. The addition of these conservation easements will encumber the entire Zena property. Management and restoration activities for the two added easements will be very similar to the Zena management plan and will mitigate for wildlife habitat, including maintaining water quality in the headwaters. Combined with the main Zena easement acquisition that occurred in FY2007, the conservation easements on these two properties will create an 1816-acre, contiguous block of habitat that is protected for fish and wildlife, one of the largest blocks of protected lands in the central Willamette Valley.

The appraisal price for the combined conservation easements is estimated at \$1,500,000. There is a balance of \$86,000 remaining in the FY08 budget, and an additional \$1,000,000 of this cost was requested as a preschedule from '09. Therefore this request covers the balance of \$414,000.

BPA recommendation – Fund

BPA supports this request of \$414,000 and the reschedule request of \$1,000,000 (from '09). In addition, BPA supports a contingency for an addition of up to \$200,000 in the event the appraisal price is higher than estimated. Total suggested authorized (maximum) increase would be \$1,614,000, contingent upon availability of FY08 capital funds. In the event that capital expenditures are approaching the available FY08 budget of \$36 million, we consider this project to be of higher priority than Project 2007-260-00 (discussed below). [see note in spreadsheet]

Category 4

Project Number: 2007-260-00

Project Name: Upland Prairie/Oak Acquisition

Contractor: The Nature Conservancy

BPA-COTR: Dorie Welch

Budget Amount: 08/\$1,000,658

Funding Type: Capital

Sponsor's explanation of need: The Upland Prairie/Oak Acquisition project is requesting additional funding to execute its Purchase and Sale Agreement to acquire title to the 272-acre Neilsen Trust property. Successful acquisition of this parcel will create the first permanently protected Fender's blue butterfly and Kincaid's lupine population in Yamhill County and represent a substantial step toward recovery of both species in the northern recovery zone. This provides an opportunity to protect habitat for the largest and healthiest known population of Fender's blue butterfly in the northern Willamette Valley.

BPA recommendation – Fund with contingencies

BPA supports this request of \$1,000,658 for acquisition of property to mitigate for the Willamette projects, contingent upon availability of capital funds in 08. If funds are not available in FY08, then BPA would support this purchase in FY09 (after September 30, 2008).

Summary

In summary, the total of expense funding requested in this letter is \$195,411 (08), \$122,315 (09) and the total capital funding requested is \$1,614,658. 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 Greg Dondlinger at 503-230-5065 or me at 503-230-5549 for further information or if you have any questions.

Sincerely,



William C. Maslen
Director for Fish and Wildlife

cc: (Electronic mail)

Mr. Mark Fritsch, Northwest Power and Conservation Council

Ms. Patty O'Toole, Northwest Power and Conservation Council

Mr. Karl Weist, Northwest Power and Conservation Council

Ms. Stacy Horton, Northwest Power and Conservation Council

Mr. Jeff Allen, Northwest Power and Conservation Council

Mr. Kerry Berg, Northwest Power and Conservation Council

Mr. Brian Lipscomb, Columbia Basin Fish and Wildlife Authority

Mr. Tom Iverson, Columbia Basin Fish and Wildlife Authority

Mr. Binh Quan, Columbia Basin Fish and Wildlife Authority

	Project Number	Project Name	Contractor	Decision Quarter	2008	2009
Approved BPA Actions		<i>Within-year pool</i>			\$2,000,000	\$2,000,000
	198201301	Coded-Wire Tag Recovery	Pacific States Marine Fisheries Commission	FY07-Q3	\$39,720	
	198343500	Umatilla Satellite Facilities O&M	Umatilla Tribe	FY08-Q2	\$65,000	
	198805307	Hood R Prod O&M - Ws/ODFW	Warm Springs Tribe	FY08-Q1	\$250,000	
	198805308	Hood River Powerdale Dam Fish Trap/Oak Springs/Pelton Ladder -Operation and Maintenance	ODFW/Warm Springs Tribe	FY07-Q4	\$21,515	\$21,515
	199107800	Burlington Bottoms Wildlife Mitigation Project	Oregon Department Fish & Wildlife	FY08-Q2	\$27,283	\$27,283
	199202604	Investigate Life History Of Spring Chinook Salmon and Summer Steelhead in the Grande Ronde River Subbasin	Oregon Department Fish & Wildlife	FY08-Q1	\$164,000	
	199501300	Nez Perce Trout Ponds			\$23,000	
	199503300	O&M Yakima Basin Fish Screens	Bureau of Reclamation	FY07-Q4	\$8,877	
	199505700	S Idaho Wildlife Mitigation	Idaho Department of Fish & Game	FY08-Q1	\$130,000	
	199506001	Iskuulpa Watershed Project	Umatilla Tribe	FY08-Q2	\$20,000	\$20,000
	199701325	Yakima/Klickitat Fisheries Project Operations and Maintenance	Bureau of Reclamation	FY08-Q3	\$10,000	
	199800401	Columbia Basin Bulletin	Intermountain Communications	FY07-Q4	\$25,000	\$90,000
	199801005	Pittsburg Landing Fall Chinook Acclimation Project (FCAP)	Nez Perce Tribe	FY08-Q3	\$18,500	
	200002100	Securing Wildlife Mitigation Sites - Oregon Ladd Marsh WMA and Grande Ronde Subbasin Wetlands	Oregon Department Fish & Wildlife	FY08-Q2	\$23,750	\$23,750
	200100300	Adult Pit Detector Installation	Pacific States Marine Fisheries Commission	FY07-Q4	\$123,895	

200105300	Reintroduction of Chum Salmon into Duncan Creek	Pacific States Marine Fisheries Commission	FY07-Q3	\$32,000	
200201400	Sunnyside Wildlife Mitigation	Washington Department Fish & Wildlife	FY07-Q4	\$47,200	
200205300	Assess Salmonids Asotin Cr Ws	Washington Department Fish & Wildlife	FY07-Q4	\$25,342	
200311400	Acoustic Tracking For Survival	Kintama Research Corporation	FY08-Q1	\$387,397	\$130,515
200700300	Dworshak Dam Resident Fish Mitigation Project	Idaho Department of Fish & Game	FY08-Q2	\$55,000	
200721200	Develop a locally-adapted summer steelhead program to supplement natural production	Colville Confederated Tribes	FY08-Q2	\$16,507	
200740200	Snake River Salmon Sockeye Captive Propagation	Shoshone-Bannock Tribes	FY08-Q2	\$19,500	
200740400	OR Snake River Spring/Summer Chinook Salmon Captive Propagation	Oregon Department Fish & Wildlife	FY07-Q3	\$33,469	\$66,358
200800300	Capture, Marking, Hazing & Removal of California Sea Lions at Bonneville Dam	Pacific States Marine Fisheries Commission	FY08-Q1	\$130,000	
200800400	Sea Lion Predation Rate Estimation and Non-lethal Hazing	CRITFC	FY08-Q1	\$75,000	
200731800	Entiat River - UPA - Knapp-Wham Hanan Detwiler Irrigation System Consolidation Project	Cascadia Conservation District	FY08-Q2	\$40,425	
Total Approved Actions:				\$1,812,380	\$379,421

