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Oregon

October 2, 2008

## MEMORANDUM

**TO:** Fish and Wildlife Committee Members

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

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

### PROPOSED ACTION

At your meeting in October, Council staff will review the schedule and timeframe associated with the funding adjustment requests for the fourth quarter of Fiscal Year 2008. This agenda item will be for review and discussion only and no committee action is requested. After an opportunity for comment, these requests will come back to the committee and Council for a decision at the November meeting.

### BACKGROUND

In 2004, Bonneville and the Council 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.

Of the 12 requests reviewed by the BOG during the fourth quarter of Fiscal Year 2008, nine requests will need a decision in November. These requests, reviewed in July, August, and September, will be treated as an amendment to the start-of-year budget for Fiscal Year 2009. As outlined in the attached table (see Attachment 1), the remaining three requests were withdrawn

by the sponsors. None of the requests triggered the threshold adjustment as part of the budget-tracking process.

On October 1, 2008, the Council received a letter from Bonneville summarizing the within-year requests being considered during the fourth quarter of Fiscal Year 2008 (see Attachment 2).

The requests are categorized by category (1 - 5) per the BOG review. Based on staff review and comment received, the staff will bring to the committee and the Council a recommendation at the August meeting.

**Attachment 1: Within-year project funding adjustments received as part of the fourth quarter of Fiscal Year 2008.**

Category	Project #	Project Title	Sponsor	FY 2009 Budget (BPA)	Request 2009	Status
<b>3a</b>	1998-007-02	Gd Ronde Supp Lostine O&M/M&E	NPT	\$583,215	\$115,000	November Decision
<b>3b1</b>						
	1993-066-00	Oregon Fish Screens Project	ODFW	\$10,000	\$198,302	November Decision
	2007-398-00	Manastash Creek Fish Passage Improvements	BPA	\$1,118,774	\$748,592 (capital)	November Decision
<b>3b2</b>						
	1992-026-04	Investigate Life History of Spring Chinook Salmon and Steelhead in the Grande Ronde Subbasin	ODFW	\$680,600	\$123,000	November Decision
	1996-043-00	Johnson Creek Artificial Propagation Enhancement Project	NPT	\$858,305	\$151,465	November Decision
	1997-030-00	Chinook Salmon Adult Abundance Monitoring [Formerly - Listed Stock Adult Escapement]	NPT	\$259,310	\$45,761	November Decision
<b>5</b>						
	1995-033-00	O&M Yakima Basin Fish Screens	BOR	\$104,877	\$27,000	November Decision
	1998-021-00	Hood River Fish Habitat	CTWSRO	\$174,920	\$0	Withdrawn by sponsor
	2002-061-00	Restore Potlatch R Watershed	Latah Soil and Water Conservation District	\$397,486	\$0	November Decision
	2007-112-00	Teanaway Watershed - Protect critical habitat from development, reduce water temperatures and increase instream flows, restore habitat forming processes in the floodplain	Kittitas Conservation Trust	NA	\$340,000	Withdrawn by sponsor
	2007-127-00	Reestablish Connectivity and Restore Fish Habitat in the East Fork of the South Fork Salmon River Watershed	NPT	\$605,600	\$0	November Decision
	2007-318-00	Entiat River - UPA - Knapp-WHAM Hanan Detwiler Irrigation System Consolidation Project	Chelan County Conservation District (SWCD)	NA	\$0	Withdrawn by sponsor

**Attachment 2: Letter received on October 1, 2008 from Bonneville regarding within-year funding adjustments associated with the Quarterly Review.**



**Department of Energy**

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

ENVIRONMENT, FISH AND WILDLIFE

October 1, 2008

In reply refer to:

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 recently conducted the Fiscal Year (FY) 2008 fourth quarterly reviews of within-year budget and/or scope modification requests. Through this process, we are now initiating the 14-day public comment period on these requests. Bonneville Power Administration (BPA) will consider any public comments received by October 16, 2008, before developing our tentative decisions which will be discussed at the November Northwest Power and Conservation Council (Council) Meeting. BPA is providing a synopsis of all requests by the sponsors below.

The BOG process incorporates the following criteria to categorize the project requests:

**Category**

- 1. Emergency** - Acts of God or the unforeseen loss of mechanical infrastructure that necessitates an extraordinary action to avoid the imminent loss of fish or wildlife resources; imminent threat to human health or safety.
- 2. ESA Commitment of BPA** - A new or ongoing project that directly implements actions committed to by the Action Agencies to implement biological opinions. New projects will be reviewed by the Independent Scientific Review Panel (ISRP), BPA and the Council prior to BPA funding.
- 3. Project Integrity** - Actions necessary for the project, though not of an emergency nature, to avoid the loss of a previous project investment; including major project review (i.e. step review) that would:
  - a. Jeopardize the performance of the entire project; or

b. Jeopardize the performance of a discrete task or objective of the project causing:

1. Adverse biological consequences to the project; or
2. The loss of monitoring and evaluation data;

**4. Lost Opportunity** - New or ongoing projects that respond to a limited opportunity to benefit the fish and wildlife resource and that opportunity will be permanently lost if the requested budget increase and associated work is not approved. "Lost opportunity" constitutes a highly scrutinized status and does not necessarily constitute an automatic approval.

**5. Other** - Any project not deemed by the BOG to fall into the four categories defined above. The loss of capability to administer the project also falls into this category. Examples of this type of request might include a cost-of-living increases or increases in indirect rates. Because these costs should be addressed through project contracting, it is unlikely that these projects would receive a high priority in the quarterly review process.

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## Project Funding Requests

### Category 3a

**Project Number:** 1998-007-02

**Project Name:** Grande Ronde Supplementation O&M - Lostine River Chinook

**Contractor:** Nez Perce Tribe

**BPA-COTR:** Jonathan McCloud

**Budget Year/Amount Requested:** 2009/\$115,000 (Tribes's preference)

**Funding Type:** Expense

**Sponsor's explanation of need:** The Grande Ronde Supplementation O&M project is requesting additional funding for repairs to the Lostine River weir/trap and acclimation facilities. For the Lostine River weir/trap facility, deteriorated weir/trap components need to be replaced to allow capture of adults for another season. The weir/trap may be replaced with a permanent weir/trap facility in the future but repairs are required now to assure continued objectives as identified in the project scope of work as well as safety of employees.

The Nez Perce Tribe submitted two estimates (options) to accomplish repairs to the weir/trap facility.

- Option 1: \$18,000 estimate would repair those weir panels that have holes in them as well as broken hardware. The Nez Perce Tribe estimates this fix would buy the project another year of trapping & monitoring before additional funds would be needed for repair the weir/trap facility.
- Option 2: \$73,000 estimates would replace all weir panels and replace all associated hardware. Brand new weir panels would also bring the weir up to USFSW criteria for bull trout. The Nez Perce Tribe estimates this fix would buy the project another two to three years worth of trapping & monitoring before additional funds would be needed for repair the weir/trap facility.

For the Lostine River Acclimation facility, the deteriorated raceway liners need replaced to allow for acclimation of Lostine River smolts. The acclimation facility may be replaced in the future

but repairs are required now to assure continued objectives as identified in the project scope of work. The acclimation facility is in a remote location; no electricity is available. The facility is powered by a generator, therefore, included in the estimate is a fuel surcharge of operation of the facility (cost of \$42,000).

**Category 3b1**

**Project Number:** 1993-066-00

**Project Name:** Oregon Fish Screens Project

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

**BPA-COTR:** Jamie Swan

**Budget Year/Amount Requested:** 2009/\$198,302

**Funding Type:** Expense

**Sponsor's explanation of need:** The Oregon Fish Screens Project is requesting additional funding for operation and maintenance of fish screens. The expense for O&M for this project has been funded by NOAA since 1952. NOAA is reducing funding of O&M personnel in the John Day, Umatilla and Walla Walla Basins this upcoming year (2009). NOAA is also proposing to eliminate all operation and maintenance funds (\$690,000) in 2010.

**Category 3b1**

**Project Number:** 2007-398-00

**Project Name:** Yakima River Basinwide Tributary/Passage & Flow

**Contractor:** BPA

**BPA-COTR:** Jay Marcotte

**Budget Year/Amount Requested:** 2009/\$748,592

**Funding Type:** Capital

**Sponsor's explanation of need:** The Yakima River Basinwide Tributary/Passage & Flow Project is requesting additional funding to install screens and ladders at Manastash Creek, Keats-Jensen and Barnes Road irrigation diversions according to engineering designs and specs. The main reasons for the funding shortfall are threefold. *First*, the funding awards made in 2003 were based on conceptual designs and coarse cost estimates. The designs are now complete, as are opinions of probable cost by the design engineers (HDR FishPro) so we have the best cost estimates possible short of actual bids. *Second*, costs have escalated substantially since 2003. *Third*, the final estimates include activities that weren't in the original estimates, such as land acquisition costs, utilities, access roads, flow meters, and other changes to the designs.

**Category 3b2**

**Project Number:** 1992-026-04

**Project Name:** Investigate Life History of Spring Chinook Salmon and Steelhead in the Grande Ronde Subbasin

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

**BPA-COTR:** Greg Baesler

**Budget Year/Amount Requested:** 2009/\$123,000

**Funding Type:** Expense

**Sponsor's explanation of need:** The Life Studies of Spring Chinook and Steelhead in Grande Ronde Subbasin project is requesting funding for personnel, fringe, overhead, supplies to continue operating rotary screw traps in the Minam River and upper Grande Ronde River. At the

planned FY09 budget level of \$697,000, ODFW would not be able to continue to monitor the production of spring Chinook salmon and steelhead smolts from the Minam and upper Grande Ronde rivers to evaluate the success of spring Chinook salmon supplementation in the Grande Ronde subbasin. The upper Grande Ronde River has been supplemented with hatchery produced spring Chinook salmon since the first adults returned in 2002, and ODFW has been monitoring the smolt production of spring Chinook salmon since 1993. ODFW has been monitoring the spring Chinook salmon smolt production from the Minam River since 2000. Smolt production and other key life history attributes measured during the supplementation period will be compared to those measured before supplementation in the same stream and also to the reference stream (Minam River) to evaluate the success of supplementation in the Grande Ronde Subbasin.

**Category 3b2**

**Project Number:** 1996-043-00

**Project Name:** Johnson Creek Artificial Propagation Enhancement Monitoring and Evaluation

**Contractor:** Nez Perce Tribe

**BPA-COTR:** Jonathan McCloud

**Budget Year/Amount Requested:** 2009/\$151,465

**Funding Type:** Expense

**Sponsor's explanation of need:** The Johnson Creek Artificial Propagation Enhancement M&E Project (JCAPE) is requesting additional funding as a result of the 15% reduction associated with the "in lieu of" 2009 funding decision. Both O&M and M&E work is performed under the JCAPE project. The JCAPE FY 08 budget was \$1,009,770. The 15% reduction reduced the project's '09 budget by \$151,465 (09 decision is \$858,305). The M&E portion of this project would be reduced by \$151,465 as the O&M portion will continue to be funded at the FY 08 level. This reduction will result in an estimated 33% loss in salaries used to employ personnel who collect/generate/validate field and lab data, an estimated 89% loss in non-administrative funds available for subcontracting (genetic tissue analysis), and an estimated 27% loss in funds used to cover project operations. These losses will invariably compromise the ability to analyze/interpret the data required to evaluate the effects of supplementation.

**Category 3b2**

**Project Number:** 1997-030-00

**Project Name:** Chinook Salmon Adult Abundance Monitoring

**Contractor:** Nez Perce Tribe

**BPA-COTR:** Debbie Docherty

**Budget Year/Amount Requested:** 2009/\$45,761

**Funding Type:** Expense

**Sponsor's explanation of need:** The Chinook Salmon Adult Abundance Monitoring project is requesting funding for personnel, fringe, overhead, supplies to install equipment, collect and analyze data. The request includes several parts:

- Install and operate three underwater optical cameras multiplexed with the DIDSON sonar signal to validate species identification of DIDSON target counts with an independent method.
- Install a second DIDSON sonar unit to collect sonar files to estimate precision.

- Collect multiplexed DIDSON and optical camera validation data throughout the salmon migration period as well as sonar files from the second DIDSON sonar unit to estimate precision.
- Validate DIDSON counts with independent method. Analyze data to validate DIDSON target counts with optical camera data for species identification purposes. Statistically compare DIDSON counts with optical camera counts by migration period and direction of movement from a stratified random sample of dates.
- Assist ISS staff with summary of redd count and biological information from salmon carcass recoveries to determine total number of redds by location, age and sex composition, hatchery composition, and prespawning mortality.

**Category 5**

**Project Number:** 1995-033-00

**Project Name:** O&M Yakima Basin Fish Screens

**Contractor:** Bureau of Reclamation

**BPA-COTR:** Jay Marcotte

**Budget Year/Amount Requested:** 2008/\$27,000

**Funding Type:** Expense

**Sponsor's explanation of need:** The Yakama Basin Fish Screen O&M Project is requesting additional funding for routine operation and maintenance of fish screens (pre-design and possibly implementation). BOR will provide weekly site visits for operation and maintenance (and sometimes more frequently depending on the site) as well as provide minor maintenance (for example, screen cleaning), contractor (irrigator) monitoring, emergency repairs, and record keeping. At sites where the primary O&M duties are assigned to WDFW, Reclamation O&M tasks will be limited to: incorporating WDFW facilities into Reclamation's preventive maintenance record system, providing WDFW with preventive maintenance schedules, check sheets, daily activity logs and other forms and records as appropriate, preparing facility operation and maintenance manuals jointly with WDFW, inspecting and maintaining overhead gantry cranes, providing and maintaining lock systems, and providing electrical work as needed. WDFW will provide Reclamation with completed forms and logs which Reclamation shall enter into their historical maintenance records. If approved, funding will be added to the '08 contract which ends April, 2009.



**Category 5**

**Project Number:** 1998-021-00

**Project Name:** Hood River Fish Habitat

**Contractor:** Warm Springs Tribe

**BPA-COTR:** Sarah Branum

**Budget Year/Amount Requested:** 2009/\$0, Scope Change

**Funding Type:** Expense

**Sponsor's explanation of need:** The Hood River Fish Habitat Project is requesting a Scope change. The Warm Springs Tribe proposing to add outplant up to 500 tule Chinook carcasses at seven sites in the West Fork Hood River drainage during the late fall 2008. Only certified disease free carcasses from USFWS Spring Cr. Hatchery will be used. Guidelines described in ODFW's Guidelines for Fish Carcass Distribution will be followed. USFWS cost share of \$5000 which covers the cost of the carcasses, personnel time will be absorbed within the current contract.

**Category 5**

**Project Number:** 2002-061-00

**Project Name:** Restore Potlatch River Watershed

**Contractor:** Latah Soil & Water Conservation District

**BPA-COTR:** Wynn Avocette

**Budget Year/Amount Requested:** 2009/\$0, Scope change

**Funding Type:** Expense

**Sponsor's explanation of need:** The Restore Potlatch River Watershed Project is requesting a scope change to add additional work elements not previously proposed in the 07-09 solicitation. Those work elements include:

- WE#29 Increase Instream Habitat Complexity (Corral Creek)
- WE#30 Realign, Connect, and/or Create Channel (Corral Creek)
- WE#84 Remove/Install Diversion (Troy dam; Pine Creek bridge)
- WE#186 Operate and Maintain Habitat/Passage/Structure (Troy dam; Pine Creek bridge; East Fork Potlatch River)
- WE#33 Decommission Road/Relocate Road (Corral Creek; Troy dam; Pine creek bridge; East Fork Potlatch River)
- WE#181 Create, Restore, and/or Enhance Wetland (Corral Creek; East Fork Potlatch River)
- WE#27 Remove Debris (Corral Creek; Troy dam; Pine Creek bridge; East Fork Potlatch River)
- WE#184 Install Fish Passage Structure (Troy dam; Pine Creek bridge)

Corral Creek and East Fork Potlatch River were listed for both restoration and protection in the Potlatch River Watershed Management Plan (PRWMP). Among the numerous limiting factors listed for those streams were sedimentation and stream/habitat complexity. (Refer to PRWMP chapter 7). Realignment of the streams to their original channels, and the addition of large woody debris will do much to reduce sediments and improve stream/habitat complexity. The Troy dam remnants and the Pine Creek Bridge are barriers to fish migration.

**Category 5**

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

**Project Name:** South Fork Salmon River Watershed Restoration

**Contractor:** Nez Perce Tribe

**BPA-COTR:** David Kaplowe

**Budget Year/Amount Requested:** 2009/\$0, Scope Change

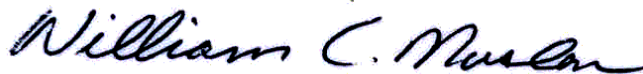
**Funding Type:** Expense

**Sponsor's explanation of need:** The South Fork Salmon River Watershed Restoration Project is requesting a Scope change. The Nez Perce Tribe is proposing to modify the project proposal to include the acquisition of a conservation easement, in perpetuity, on the Wapiti Meadows Ranch along Johnson Creek in the South Fork Salmon Watershed. This opportunity surfaced once the contract was in place and the NPT had begun Management and Cooperation activities with the different agencies and multiple National Forest districts within the project area. Willing partners are the Boise National Forest, the Rocky Mountain Elk Foundation, and the Nez Perce Tribe.

### Summary

In summary, the total expense funding requested by project sponsors is \$660,528; the total of capital funding requested is \$742,592. 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 of 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

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

bcc: (Electronic mail)

B. Maslen – KEW-4

G. Dondlinger – KEWB-4

C. Hanan – KEWB-4

C. Read – KEWB – 4

P Lofy – KEWL-4

D. Byrnes – KEWL-4

P. Krueger – KEWU-4

J. Hilliard Creecy – KEWR-4

COTRs: (Electronic mail)

S. Branum – KEWL-4

J. Marcotte – KEWL - 4

J. McCloud – KEWL – 4

J. Swan – KEWL - 4

G. Baesler – KEWU – 4

D. Docherty – KEWU - 4

D. Kaplowe - KEWU – 4

W. Avocette – KEWU - 4