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April 2, 2009

## 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 April, Council staff will review the schedule and timeframe associated with the funding adjustment requests for the second quarter of Fiscal Year 2009. 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 May 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 13 requests reviewed by the BOG during the second quarter of Fiscal Year 2009, eight requests will need a decision in May. As outlined in the attached table (see Attachment 1), three request were withdrawn by the sponsor (i.e., was determined by BOG to be within scope). One of the requests triggered the threshold adjustment as part of the budget-tracking process. In

addition, one request is providing the information requested as part of a Council decision in 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.<sup>1</sup>

On April 2, 2009, the Council received a letter from Bonneville summarizing the within-year requests being considered during the second quarter of Fiscal Year 2009 (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.

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<sup>1</sup> 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.

**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
<b>3a</b>						
	1988-115-35	Klickitat Fishery YKFP Design and Construction	YN	\$8,715,573 (capital)	\$5,593,832 (capital) <sup>2</sup>	August '08 decision
	2007-265-00	Bitterroot Watershed Subbasin Plan	Montana Water Trust	\$50,000	\$50,000	May Decision
<b>3b1</b>						
	1995-033-00	Yakima Phase II Fish Screens Operations and Maintenance (O&M) with Bureau of Reclamation (BOR)	BOR	\$104,877	\$100,000	May Decision
	2007-003-00	Dworshak Dam Resident Fish Mitigation Project		\$160,000	\$44,000	May Decision
<b>3b2</b>						
	2003-072-00	Habitat and Biodiversity Information System for Columbia River Basin	NHI	\$157,831	\$64,294	May Decision
<b>4</b>						
	1992-068-00	Willamette Basin Mitigation	ODFW	\$0	\$1,970,000 (capital)	May Decision
	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)	May Decision
	2007-400-00	Wenatchee River Subbasin Fish Passage Enhancement	Chelan County Natural Resource Department	\$1,020,745 (capital)	\$948,556	Withdrawn by Sponsor
<b>5</b>						
	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	May Decision
	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	May Decision

<sup>2</sup> The engineers 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).

**Attachment 2: Letter received on April 2, 2009 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

April 2, 2009

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) 2009 second quarter review 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 April 24, 2009, before developing our tentative decisions which will be discussed at the May 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:** 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.

### **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.

### **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.

### **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?:** It does not support a BiOp.

**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)

#### **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. The area is within the 100-year Willamette River floodplain and includes a major remnant side channel (re: Little Willamette). The swales, side channel, and contours of the property provide a mosaic of seasonal wetlands that provide habitat for a breeding population of western pond turtle (*Clemmys marmorata*). The property also contains substantial numbers of waterfowl during fall, winter, and spring and likely provides cold water refugia for fish. An important feature of this property is the potential to aggregate adjacent properties (State and private) into a conservation zone that includes 4-5 river miles of the mainstem Willamette.

The 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. This confluence site has high ecological value with rivers that originate from both the Cascades and Coast Ranges. Oregon Parks and Recreation owns a major greenway area (Luckiamute Natural Area) at the confluence that includes one of the best remaining examples of cottonwood gallery forest in Oregon. The Rust property includes a small wetland, upland hardwood forest, and potential upland prairie. The property is part of a major aggregation of conservation or buffered lands that includes 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 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. The western meadowlark has been sited on the property as well as a variety of waterfowl and western bluebirds. Maxfield Creek is an important spawning reach and winter habitat for juvenile fish when streamflows in the mainstem of the Luckiamute are too swift. OWEB has worked with the landowner and USFWS to install large woody debris in Maxfield Creek to improve fish habitat for steelhead, Pacific lamprey and other fish species. The landowners wish to continue the habitat improvement work and ensure that the property is protected in perpetuity through a permanent conservation easement. The property is located directly adjacent to the Thomas Paine Farms property where Greenbelt 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. The Hall property also contains 0.5 streammiles of Maxfield Creek and includes both banks of the creek. Habitat improvements have helped to increase shading along the riparian areas and have helped to create improved pools and gravel deposition within the creek.

#### **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.

#### **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 complete 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 increase the workload and complete additional HEP surveys and report the number of associated habitat units in a timely manner.

### **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 is requesting a scope change. The highest priority work outlined in the original 2007-2009 project solicitation cost less than anticipated and has been accomplished. The work elements listed in the last proposal cycle were very site specific and have been completed. This request is not to seek additional funds but to add additional work elements to address riparian protection of 2.3 miles of lower Trout Creek totaling 300 acres. The added work elements are: Produce Environmental Compliance Documentation (165), Produce Design and/or Specifications (175), Install Fence (40), Develop Alternative Water Source (34), Enhance Floodplain (180), Realign Connect and/or Create Channel (30), Increase Habitat Complexity (29), Plant Vegetation (47), Maintain Vegetation (22), Remove/Install Diversion (84), Install Flow Measuring Device (148), Install Pipeline (149), Install Sprinkler (150), Install Fish Passage Structure (184), Install Fish Screen (69), Collect/Generate Validate Field & Lab Data (157), and PIT Tags (Internal).

### **Summary**

In summary, the total expense funding requested by project sponsors is \$374,023; the total of capital funding requested is \$1,970,000. 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 of Fish and Wildlife