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May 4, 2004

MEMORANDUM

TO: Council Members

FROM: John Ogan and Doug Marker

SUBJECT: Long-term Fish and Wildlife Funding Agreement

Our work on a long-term funding agreement for the fish and wildlife continued over the past month. There have been two primary lines of effort include. First, we have developed an estimate of the costs required to maintain productive investments and infrastructure over the next rate period. A workgroup consisting of Council staff, Bonneville staff, a utility industry representative, and CBFWA staff participating at the request of the tribes have developed a provisional estimate of these costs. The coordinating group that we are working with will discuss this provisional estimate at a meeting scheduled for May 6, and determine how to document the conduct of that exercise and how the product should (and should not) be used and interpreted. Depending on our progress at this coordination meeting, we may have additional material for the members to distribute at the meeting in Walla Walla.

Second, the coordinating group has been discussing a performance based "construct" for the next funding agreement. The coordinating group agreed last month to let the Council staff develop an initial product for the group to consider at its May 6 meeting. Generally speaking, what Council staff has done in response to that assignment is to organize and synthesize types of fish habitat activities that we are likely to be asking of the program in the near future. We think that once we have settled on a simplified set of the kind of habitat actions that logically will make up this habitat-based fish program, these categories virtually define themselves as the basis for performance objectives for a discrete number of years. E.g., what level of passage improvements is it reasonable to try to achieve in the next five years? How many miles of streamside protection is it reasonable to expect to add in the next five years? How many miles or cfs of increased streamflows are needed and reasonable to achieve in that time? Assuming we decide that this or some similar set of habitat objectives is the right way to go, the next steps are (a) to decide at what level or scale we want these objectives; and (b) figure out a way, if possible, to

agree to what the numbers to attach to these objectives might be to work with a five-year funding commitment. Cost estimation, and defining the program funding level is done as we work back and forth between the goals established for these strategies and some cost benchmarks for each. Again, the Council staff will discuss this approach with the BPA, Tribal, and industry representatives in the coordinating group at our May 6 meeting.

Finally, Mary Verner, Executive Director of the Upper Columbia United Tribes has asked for time to discuss issues related to the MOA with the Council. There is a separate agenda item dedicated to this at the Walla Walla meeting, but the Council members may note that some of Mary's issues relate to matters addressed in this memorandum and during our discussion of this agenda item.

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