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June 1, 2004

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Mark Fritsch

SUBJECT: Emergency project funding requests

Action

On May 4, 2004 Council staff received a letter from Bonneville seeking action for eight projects needing within-year adjustments to their approved budgets. Bonneville presented these requests as needing immediate Council action. As you are aware, Council staff was unable to review and provide a recommendation on these requests in time for your meeting last month in Walla Walla. The principal reason for postponing a recommendation on these requests was due to the lack of time to review and document the requests. Council staff did commit to the committee that if some of the requests did not require Council action that direction would be provided to Bonneville¹. Of the original eight projects, four projects did not need any additional Council direction and one needed additional clarity regarding the request. At your meeting on June 8th, Council staff will present and seek a recommendation from the Fish and Wildlife Committee regarding three remaining projects that need Council direction.

Recommendations

1) Fish and Wildlife Program Implementation, Project 1989-062-01 - Regional Habitat Evaluation Procedures (HEP) Team, for \$80,000. Council staff recommends that the Regional Habitat Evaluation Procedures (HEP) Team be funded at \$80,000 as part of the FY 2004 CBFWA budget.

2) Tucannon River Spring Chinook Captive Broodstock Program, Project 2002-019-00. Council staff concludes that based on the step review and the attempt that the sponsors have

¹ Letter sent to Bonneville on May 20, 2004 in response to the Bonneville letter dated May 4, 2004 requesting rescheduling and critical within-year budget increase.

demonstrated to this point to stay within the recent budget decisions it is reasonable to approve this request (\$24,955) to account for the additional cost associated with reaching the target production level as anticipated and reviewed in past recommendations.

3) Colville Tribal Fish Hatchery, Project 1985-038-00 (\$150,000). Council staff recommends that this emergency request for a fish transportation truck for \$150,000 be approved.

Background and Analysis

1) Fish and Wildlife Program Implementation, Project 1989-062-01. This request addresses continued funding for a task associated with this project, *Regional Habitat Evaluation Procedures (HEP) Team*, for \$80,000.

In May 2002, the Council received from CBFWA, a recommendation to modify the scope of Project 1989-062-01, *Fish and Wildlife Program Implementation*. The request was to expand the scope of the project to fund a Regional Habitat Evaluation Procedures Team for \$93,000 in FY 2002 (this request included WDFW funding contributions that will cease at the end of FY 2003 with the termination of the Washington Agreement). The request was to fund FY 2002 activities during the current field season. Continuation of the team was to be defined and determined during the upcoming Mainstem/Systemwide review.

At the June 2002 meeting the Council recommended that Bonneville fund the request to expand the scope of the project to include the funding of a Regional Habitat Evaluation Procedures Team.

During Fiscal Year 2003 the teams workload was reduced due to the issues surrounding land acquisitions and needs funds seemed to be addressed through funds provided by CBFWA budget.

Though the HEP element was addressed as part of the original proposal solicitation for the Mainstem/Systemwide it was omitted in the revised budgets submitted in an attempt to meet the needs of the Mainstem/Systemwide review. As far as Council staff can tell, no subsequent Council action recommended funding for the HEP team.

Based on the deliberations that addressed the original Council decision in 2002, but acknowledging that no further discussion took place Bonneville's recommended FY 2004 budget of \$80,000 seems appropriate and Council staff recognizes the significance of this team approach for improved efficiency in implementing the wildlife program. Therefore, Council staff recommends that the Regional Habitat Evaluation Procedures (HEP) Team be funded at \$80,000 as part of the FY 2004 CBFWA budget.

2) Tucannon River Spring Chinook Captive Broodstock Program, Project 2002-019-00. The request is to address a budget shortfall needed to address current production levels (\$24,955).

In April 5, 2000 the Council approved the Step Review of the Tucannon River Spring Chinook Captive Broodstock Program. At the time of the decision the project had

collected two of the five years (1997 and 1998) of brood addressed the decision. It was understood that the final release of captive reared smolts would occur in the year 2008, and that the captive program will be terminated after that year's release. (out-year funding for the projects was defined as FY 2000 @ \$134,000, FY 2001 @ \$99,000, FY 2002 @ \$94,000, FY 2003 @ \$121,000, FY 2004 @ \$125,000, FY 2005 @ \$126,000, FY 2006 @ \$115,000, FY 2007 @ \$93,000 and FY 2008 @ \$79,000). As part of the budgeting exercise associated with the Columbia Plateau provincial review the project was budgeted at \$94,509 except for a 3.4% increase in FY 2003 and 2004. This action was confirmed as part of the FY 2003 and 2004 budgeting exercises resulting in the project budget basically being level funded since the provincial review.

The request is to address the shortfall in funds to address the productions as addressed as part of the step review the project went through in 2000. As can be noted the original budget profile, as reviewed in the step review, demonstrates the sponsor attempting to ramp up toward the target of 150,000 smolts in 2003-2006 with a decline in activities after that point until the project ceases after 2008.

Council staff concludes that based on the step review and the attempt that the sponsors have demonstrated to this point to stay within the recent budget decisions it is reasonable to approve this request (\$24,955) to account for the additional cost associated with reaching the target production level as anticipated and reviewed in past recommendations.

3) Colville Tribal Fish Hatchery, Project 1985-038-00 (\$150,000). The request is to seek funds for the replacement of a fish transportation truck.

The need for this replacement was originally raised as part of the FY 2003 and 2004 budget exercises. As noted in the Council's FY 2004 budget the project is being held at the FY 2003 recommended budget and that "increases could be handled through within year adjustment process".²

The truck that recently broke down (repair is estimated to cost between \$15,000 to \$40,000) is one of two trucks that are used to transport and distribute 50,000 pounds of resident salmonids to reservation waters for subsistence and recreational fisheries.

Council staff agrees that the need for a reliable transportation truck is important, but initially felt that additional review was needed to ensure that other alternatives are evaluated (e.g. repair, purchase of a smaller truck, stainless vs. aluminum tanks). In addition, questions regarding the request as it related to the current fishing season was raised and enquired if the request would be more appropriately addressed as part of the FY 2005 budget review process.

On May 16th and 27th Council staff received additional information demonstrating that the Bonneville Project Managers, responsible for this project, are in the process of ensuring that the questions and the concerns raised by the Council staff are being

² Recommended at (FY '01 \$789,642, FY '02 \$829,124, FY '03 \$870,580) and FY '04 \$870,580.

addressed. Therefore, Council staff recommends that this emergency request for a fish transportation truck for \$150,000 be approved.

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June 1, 2004

MEMORANDUM

TO: Fish and Wildlife Committee members

FROM: Mark Fritsch

SUBJECT: Review of Lower Columbia River Ecosystem Monitoring and Data Management, Project 2003-007-00 (Proposal #30015)

Action

On March 30, 2004 the Lower Columbia River Estuary Partnership submitted to Council a response to address the condition that was placed on *Lower Columbia River Ecosystem Monitoring and Data Management*, Project 2003-007-00 as part of the Council Project Funding Recommendations for Fiscal Years 2002 through 2004 for projects in the Lower Columbia and Estuary provinces¹. On May 6, 2004 the ISRP completed its review of the submittal (Document ISRP 2004-9). At your meeting on June 8, 2004 Council staff will provide recommendations addressing the compliance to the conditions placed on this project.²

Recommendation

Council staff recommends that the water quality section of the project be implemented and the concerns raised by the ISRP be addressed in contracting. Staff further recommends that the habitat monitoring implementation be postponed until a future favorable ISRP and Council review.

Background

The Lower Columbia River Ecosystem Monitoring and Data Management Project, was proposed during the Lower Columbia/Estuary Provincial Review as an initial startup for habitat monitoring, water quality monitoring with a toxics assessment and data management component.

¹ Recommended at FY '03 \$260,000, FY '04 \$800,000 and FY '05 \$625,000.

² <http://www.nwcouncil.org/fw/province/cascade/2003finalrec.pdf> - Columbia Estuary Issue 3, page 14.

The ISRP (ISRP 2002-2)³ gave it a fundable recommendation, with conditions on the data and the monitoring plan. Council concurred with the data management recommendation and, given the Council's ongoing data management development, recommended not funding the data aspect. On September 11, 2002 the Council recommended funding, conditioned on satisfying ISRP concerns regarding the development and review of a more comprehensive monitoring plan⁴.

On May 6, 2004 the ISRP completed its review of the submittal (Document ISRP 2004-9). The ISRP determined that the Water Quality Monitoring section of the plan was fundable with some additional detail, but did not recommend funding for the Habitat Monitoring section.

Analysis

The ISRP indicated that the water quality monitoring section is fundable subject to a more detailed documentation of the sampling protocols (location, time, and methods). Council staff felt that the additional detailed description of the sampling protocols (e.g. sample design and collection methods) could be incorporated as part of the Bonneville contracting process. This was confirmed by additional information received from the sponsor on May 14, 2004 that provided additional detail and clarity to the issues raised by the ISRP.

In review of the habitat-monitoring section of the plan the ISRP stated that the submittal is not a vast improvement to the original proposal and continues to be too vague and general to be reviewed for scientific merit and recommended that this section of the project not be funded. As with the water quality component the sponsors, as part of the information on May 14th, also provided additional understanding regarding the habitat-monitoring plan.

On May 21, 2004 Council staff meet with the sponsors and discussed the options for the project regarding the original conditional funding recommendation and some additional details. Due to changes in staff at Bonneville and with the Estuary Partnership and lack of clarity from the Council regarding the Lower Columbia/Estuary Review, the project sponsor and Bonneville/Council prematurely submitted the monitoring plan sections of a Statement of Work to the ISRP for review. That Statement of Work was not intended to serve as the detail for ISRP review. One of the tasks in the Statement of Work was to develop a habitat monitoring plan for future review. LCREP staff noted that the plan can be developed by early fall for submission to

³ Fundable (Qualified - see comments) - The response was adequate and the project has broad regional support. In concept, the project could be important and the ISRP agrees that the lower mainstem and estuary merit a separate monitoring program and database, but the database must be tied into the existing WDFW and ODFW systems. However, the review committee was bothered by the continued vagueness of the budget values and generalities of comments. For example, what data system is proposed, where will it be located, how much monitoring will be conducted, where will samples be processed and at what costs? All of these issues need to be more fully developed before an assessment can be made about the project value. This is a large program but the review committee cannot really determine what the funds will provide and whether the budget has any real basis. Will the actual cost really be 2-3x this estimate?

If the project is supported then the ISRP recommends that the Council at least require a more comprehensive description of the monitoring plan and components of the database, and how it would be annually monitored. This could be an expensive project. Rather than the proponents answering that "costs mount quickly" to our question, the proponents must lay out the various cost components with a justification for each. Therefore, we also recommend such budget clarification must be provided before funding.

⁴ <http://www.nwcouncil.org/fw/province/cascade/2003finalrec.pdf> - Columbia Estuary Issue 3.

ISRP and they also intend to coordinate with the Pacific Northwest Aquatic Monitoring Partnership (PNAMP) in the development of the plan for the estuary.

During this meeting it was outlined that a possible direction for this project was to permit the water quality monitoring section of the plan to be implemented this season with the understanding that the details requested by the ISRP be addressed as part of contracting and that the habitat monitoring section be resubmitted for an additional ISRP and Council review prior to implementation.

Based on the ISRP review and the additional information and clarity provide by Bonneville and the sponsor, and the chain of events regarding the submission of the habitat monitoring plan Council staff recommends that the water quality section of the project be implemented and the concerns raised by the ISRP be addressed in contracting. Staff further recommends that the habitat monitoring implementation be postponed until a future favorable ISRP and Council review. It is anticipated that the sponsors will resubmit the monitoring plan this fall. Council staff requests that the sponsor not only submit the completed habitat monitoring plan for review, but also submit the additional detail requested by ISRP in the water quality plan as a courtesy to the Panel.

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June 1, 2004

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Mark Fritsch

SUBJECT: Scope of review for Chief Joseph Dam Hatchery Program (CJDHP), Project # 2003-023-00.

Action

On May 26, 2004 Council staff received the Step I (i.e. Master Plan) submittal for the *Chief Joseph Dam Hatchery Program*, Project # 2003-023-00¹. With the submittal the Confederated Tribes of the Colville Reservation (Colville Tribes) has requested that the Council provide direction on the addition of spring Chinook production, as part of the scope, to the project. At your meeting in Clarkston, Washington Council staff will present an analysis for your consideration.

Recommendation

Council staff recommends that the spring Chinook component of the submitted summer/fall chinook Master Plan be reviewed by the ISRP and that at the time of the Step I decision a determination of the scope and direction of this project will be determined.

Background

In December 2001, as part of the solicitation associated with the Columbia Cascade Province, the Colville Tribes submitted a series of seven proposals to address habitat restoration, fish propagation, fish harvest, and research monitoring and evaluation needs in the Okanogan subbasin.

¹ Recommended at FY '03 \$393,500, FY '04 \$325,000 and FY'05 \$185,000 (Capital)

After working with existing projects², additional funds remained within the province allocation. The prioritization group sought to add new proposals that advanced their most pressing management objectives and also had broad support from the ISRP, CBFWA, Bonneville, and NOAA Fisheries for ESA needs. This list of new proposals prioritized by the Columbia Cascade fish and wildlife managers that fit within the province allocation, included two of the seven new proposals submitted by the Colville Tribes. Proposal #29040 *Develop and Propagate Local Okanogan River Summer/Fall Chinook* had support from all the entities, but the second proposal #29033 *Design and Conduct Monitoring and Evaluation Associated with the Reestablishment of Okanogan Basin Natural Production* had support by ISRP, CBFWA and NOAA but was ranked as a “C” by Bonneville. This ranking suggested that the project be deferred until after subbasin planning. At that time the sponsor reported that recent discussions with Bonneville yielded a more favorable rating for the project.

In October 2002 as part of the issue summary for the Columbia Cascade provincial review (i.e. Project Issue #3) the Council recommended a total of four new proposals that include the two of the original series of seven new proposal submitted by the Colville Tribes.

Prior to contracting for Chief Joseph Dam Hatchery Program³ the Colville Tribe raised concerns that some of the original proposals were not intended to stand alone, but were interrelated to the fish propagation proposals (e.g. selective fish collection and harvesting gear) and part of the Colville Tribes broader anadromous fish recovery objectives. Though some of key objectives of the unfunded proposals (e.g. selective fish collection and harvesting gear) could be addressed as part of the Master Plan as the project moves through the Three-Step Review Process, the Colville Tribes was concerned with anticipated future needs regarding the spring Chinook production. The Colville Tribes thought it would be cost effective to simultaneously include separable spring Chinook facilities in the Hatchery’s conceptual design.

Council and BPA staffs met with the Colville Tribes and it was determined that that inclusion of this additional information regarding spring Chinook at the Step 1 Master Plan stage for summer/fall Chinook would be beneficial to both plan reviewers and decision-makers. Moreover, all parties recognized that potential cost efficiencies might be secured through early identification of design and construction alternatives associated with the spring Chinook components of the Chief Joseph Dam Hatchery Program proposal.

From this meeting the Bonneville contracted for this project for the development of a Master Plan (Step I) including conceptual designs for hatchery facilities necessary for production of summer/fall Chinook and also for the spring Chinook. The reasons for including the spring Chinook component in Step 1 were:

² The prioritization meetings for the Columbia Cascade province were focused on the fish and wildlife managers within the province -- the Colville Tribes, the Yakama Indian Nation, and the Washington Department of Fish and Wildlife. While these were the primary participants in the process to reach a proposed package that fit within the allocated budget, those entities, as well as Washington and central office Council staff worked to ensure that projects sponsored by other entities were fairly reviewed and considered. This effort to ensure due consideration was benefited by the participation of these entities in the Upper Columbia River Salmon Board process, and their familiarity that they have with other participants and projects that are also part of that state process.

³ In April 2003, BPA agreed to fund development of the CJDHP Master Plan. Then in July 2003, BPA negotiated a contract with the Colville Tribes to develop a CJDHP Master Plan.

- Very low relative cost to include both summer/fall and spring Chinook in the Master Plan development.
- Provide an opportunity for the Council and the Independent Science Review Panel to review the summer/fall and spring Chinook programs together within the context of the Okanogan subbasin ecosystem.
- Identify opportunities to achieve cost savings by developing, designing and constructing the summer/fall and spring Chinook propagation facilities at the same time.

Analysis

Prior to contracting for Chief Joseph Dam Hatchery Program (CJDHP) the Colville Tribe raised concerns that the original series of proposals were not intended to be interdependent, but were part of their broader anadromous fish recovery objectives and to address critical uncertainties for the individual strategies.

Though some of these critical uncertainties (e.g. selective gear for brood stock collection) can be addressed as part of the Master Plan as the proposed action moves through the Three-Step Review Process, Council staff and BPA representatives determined that a separable conceptual design for spring Chinook propagation facilities could proceed.

On May 26, 2004 the Colville Tribes submitted the Step I documents (i.e. Master Plan) initiating the Three-Step Review Process. The spring Chinook components in the CJDHP Master Plan are presented in a single separate chapter and all costs and facility requirements are presented as separable components. Council staff feels that the inclusion of this additional information at the Step 1 Master Plan stage is a benefit to both plan reviewers and decision-makers. Moreover, all parties recognized that potential cost efficiencies might be secured through early identification of design and construction alternatives associated with the spring Chinook components of the CJDHP proposal.

Though Council staff determined that the addition of spring chinook to the Master Plan was permissible any future efforts will need Council direction. Though a series of decisions will be made as the Master Plan proceeds through the review process, the initial decision regarding the addition of spring Chinook production needs to be made prior to the ISRP review.

Council staff recommends that the spring Chinook component of the submitted summer/fall chinook Master Plan be reviewed by the ISRP and that at the time of the Step I decision a determination of the scope and direction of this project will be determined.

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June 1, 2004

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Mark Fritsch

SUBJECT: Scope change for Yakima Habitat Improvement Project, Project #2002-038-00

Action

Council staff will present a request from the City of Yakima seeking approval to amend the scope of Project #2002-038-00 Yakima Habitat Improvement Project¹. The proposed scope change is to move from a land acquisition emphasis to a habitat restoration in the urban growth area of the City of Yakima using the currently approved project budget.

Recommendation

Council staff does not recommend that this scope change be approved and that the contract not be renewed for Fiscal Year 2004. The staff suggests that the proposed scope of work be reviewed once the Yakima subbasin plan is completed. The work that has been completed is a Master Plan for habitat protection in the urban growth area of the City of Yakima. The master plan should be incorporated and prioritized in the Yakima subbasin.

Background

The primary goal of this project was to acquire lands for the restoration and protection of aquatic/terrestrial habitat, improvements of water quality, and reconnection of the flood plain to establish functioning riparian zones within an urban environment. The project focuses on the habitat within the Yakima Urban Growth Area including the Yakima River with emphasis on the tributaries in this area.

¹ Recommended at \$349,000 in each fiscal year 2002 through 2004.

The project was a new start as part of the solicitation associated with the Columbia Plateau Province. The project was originally entitled *Protect Normative Structure and Function of Critical Aquatic and Terrestrial Habitat in the Yakima UGA*, and was approved for funding at a reduced level to accomplish initial planning and assessment (Yakima Issue 1).

On April 22, 2003 the Council received a Master Plan entitled *Yakima Habitat Improvement Project Master Plan* intended to address the issues and concerns raised during the provincial review and address the conditioned that was placed on the project.

The Master Plan contained the following sections.

- Summary of ongoing and completed fish and wildlife projects within the Yakima Urban Growth Area
- A detailed description of the project coordination, include details on the Technical Working Group that was formed to assist in the development of the master plan
- A detailed approach to acquiring parcels and the description of the criteria and parcel prioritization used to define this approach
- An extensive listing of recommended acquisition projects
- A strategy for acquisition and long term management of the lands
- A monitoring and evaluation plan to document anticipated benefits to fish and wildlife.

As part of the provincial decision the Council approved \$349,000 for each Fiscal Year 2002 through 2004. At the time of the Master Plan review (i.e. Fiscal Year 2003) the City of Yakima felt that the amount approved (\$349,000) would maintain project coordination, establish a Site Steward Position, increase the information and knowledge of the public, continued coordination with the TWG, and maintain the project's website (Objectives 1,2 and 4) with the intent of seeking Bonneville and other funding for land acquisitions.

The Council's provincial review decision approved funding for the master plan but deferred approval of the acquisition (Objective 3) and monitoring elements of the proposal.

The master plan was completed and on May 7, 2003 the Council recommended to Bonneville that the conditions placed on this project were addressed and that this project can proceed to be implemented as defined and with the funds established during the provincial review (\$349,000/year through FY 2004). The Council conditioned this approval stating that additional funds, if needed, will need to be sought through future sponsor requests in subsequent Council project funding processes.

On February 24, 2004 the City of Yakima submitted a rescheduling request seeking approval to amend the scope of the project using its existing budget to initiate habitat restoration in the urban growth area of the City of Yakima for the remainder of Fiscal Year 2003 (current contract expires on June 30, 2004). The City believes that planning for land acquisitions may not be productive given the current circumstances. The City seeks instead to refocus a new task addressing habitat restoration to protect and restore habitat within the Yakima urban growth area.

The request was scheduled originally to be addressed as part of the May 11 - 13, 2004 Council meeting, but was postponed until the June meeting at the request of the sponsor. This request was

made so that the sponsor could address points made in the packet memo that originally was intended to address this request.

Analysis

The Fiscal Year 2003 request addressed a scope change using the existing budget, so that the sponsors can initiate restoration activities. The sponsor proposes that the current budget (for the remainder of the Fiscal Year 2003 contract) associated with the task titled “Habitat Plans” (\$46,744) be eliminated and that a new task titled “Habitat Restoration” (\$36,744) be created. In addition the remaining funds (\$10,000) from the elimination task would supplement an existing task titled “Secure Additional Funds”. Due to the current issues surrounding the land acquisition in the basin the sponsor was at a point that a scope change was necessary to provide activities during the interim, until land acquisition can occur.

On April 5, 2004 Council staff (State and Central) met with the City of Yakima and Golder Associates (the Consultant) to review the project and discuss the request of the scope change.

Upon review of the request Council staff needed additional information regarding the current level of personnel costs, in context to the change in scope, as identified in the current SOW and budget (i.e. budget period of July 1, 2003 to June 30, 2004 identified personnel costs of 3,120 hours at \$253,775) for the project². That level of effort was probably appropriate for the transition from the development of the master plan (approved by the Council in May 2003) and acknowledged in the City’s letter dated April 22, 2003, but does not seem to demonstrate the intent of the scope change to address habitat restoration in the urban area. It seems that the budget is not placing much effort on restoration activities, but instead on administrative costs. Council staff also assumes some of the previous tasks have been completed and it seems that the City of Yakima is paying a lot of money for personnel and not emphasizing on-the-ground work as expressed by the Council members during its discussion of this project.

On April 27, 2004 Council staff received additional information from the City of Yakima regarding the issues raised by Council staff. The information received generally aligns to the tasks associated with the previous SOW for the project (Fiscal Year 2003), but does not appear to correlate to the proposed work approved in the provincial review and subsequently in the Master Plan. In addition, due to the timing between the original reschedule request (February 24th) and transition to the third year of provincial funding (July 1st), the sponsor is no longer requesting the scope change for the remainder of second year of funding (Fiscal Year 2003), but for the entire third year (Fiscal Year 2004) of the project.

On May 24, 2004 a cover letter (see Attachment 1) and additional information (i.e. seven attachments) was provide to Council staff. Much of the information was used in the original staff recommendation that was part of the packet for the May meeting. The additional information received did provide additional clarification and understanding regarding the Council staff packet memo (May 4th) and current SOW and budget, as discussed above and the activities and deliverables associated with that budget.

² Request was sent (i.e. email) on April 16, 2004.

The information received on April 27th did not provide the details associated with personnel cost as requested, but indicates a large amount for “Stream/Riparian Restoration” (i.e. \$200,000) with no specifics of what type of work this would be other than brief mention of tasks that include “design, permitting, planting, and construction contracting (if necessary)”. This amount seems high for the activities proposed and it is difficult to recommend a scope change without more specific objectives and tasks. Without these specifics it is difficult to ensure that the funding for this scope change is for habitat restoration activities and not for administrative costs.

The additional information provided by the sponsor on May 24th states that the scope and budget amount for restoration work is preliminary and dependant on direction received as part of this request, but confirmed that this is for on the ground efforts. Restoration work, of this magnitude, reconfirm Council staff concerns that there are more efficient options to get this work accomplished under projects that are currently doing this in the subbasin. These ongoing projects not only are reviewed and approved for this activity, but are geared up and experienced for a restoration activity of this magnitude. In addition, the needs of the Yakima basin as a whole could be addressed. The coordination between these projects was also an issue in the final ISRP comment regarding this project (Project #2002-038-00) as part of the Columbia Plateau province review (ISRP Document 2001-8). The ISRP conditioned its fundable recommendation with a comment that future funding of this project after the assessment (i.e. Master Plan) be integrated and prioritized with the other projects (e.g. #1997-051-00)³ in this section of the Yakima subbasin.

“Fundable in part at reduced costs as proposed by project sponsors. The proponents of the proposal agreed that this project was “still very much in the planning phase” and suggested modifying the project for 2002. Their suggestion was to reduce the costs to \$349,000 for 2002; other portions of the proposal would be shifted back one year to 2003. The ISRP agrees with an initial planning and assessment phase and would support this reduced cost for 2002. Funding for future years, however, should remain contingent upon completion of these assessments and integration of this program with other BOR and Yakama Nation projects in the Selah floodplain. Clearly, the primary goal of the project to establish functioning riparian zones within an urban environment could have strong social and educational value. However, the proponents must provide more quantitative measures of the habitat protected and/or value to fish and wildlife before their proposed efforts can be prioritized against competing proposals within the basin.” (ISRP Document 2001-8)

This leads to a concluding remark that the project should be defined in the anticipated subbasin plan and that the project as it stands no longer has a role and that the contract should not be renewed for the third year of funding.

Therefore, Council staff does not recommend that this scope change be approved and that the contract not be renewed for Fiscal Year 2004. The staff suggests that the proposed scope of work be reviewed once the Yakima subbasin plan is completed. The work that has been completed is a Master Plan for habitat protection in the urban growth area of the City of Yakima should be incorporated and prioritized in the Yakima subbasin.

³ Yakama Nation Yakima/Klickitat Fisheries Project (YKFP) Yakima Side Channels, Project #1997-051-00

Attachment 1: Cover letter (without attachments) received from City of Yakima on May 24, 2004 in response to the May packet memo (dated May 4, 2004) originally addressing this request.

May 24, 2004

Our Ref.: 023-1097-100

Northwest Power and Conservation Commission
851 SW 6th Avenue, Suite 1100
Portland, OR 97204-1348

ATTENTION: Doug Marker, NPCC Fish and Wildlife Division Director

RE: Yakima Habitat Improvement Project

Dear Mr. Marker;

The City of Yakima would like to take this opportunity to thank the Northwest Power and Conservation Council for delaying their discussion of the Yakima Habitat Improvement Project (HIP) (BPA #2002-038-00) until their June meeting and enabling us to provide clarification in response to background comments and recommendations from your staff regarding this project. This letter and associated attachments are sent in response to a memorandum from Mark Fritsch to Council members dated May 4, 2004 (Attachment 1). Please note that we are currently working within the second year of the three year provincial funding process, and that much of this discussion refers to work accomplished during this second year and our proposed scope of work for the third year.

There are several key points of clarification we would like to make regarding Mr. Fritsch's memorandum:

1. The action considered for this project on page one of the May 4 memorandum is approval of a scope modification without change in budget. We are no longer requesting a within year scope modification for FY03 (this current year). This point is clarified on page 4 of the memo, but we want to ensure that you understand the change is not for the current year scope.

The scope modification was originally discussed with the BPA project manager in December to address the impasse associated with current BPA land acquisitions. Based on these discussions, we submitted a within year scope modification request to the BPA project manager in January of 2004, and proposed acquisition related activities be revised to support on the ground restoration this spring and to increase the efforts spent on

applying for grants to leverage BPA funds. Our intent with this initial request was to assist Council and BPA in their mitigation obligations given the limitations associated with acquisition. While this proposal was a reality in January and February, the delay in processing the request leaves no time to actually plant and carry out other restoration activities within the FY03 timeframe (prior to June 30, 2004). Therefore, we have withdrawn our request for a within year scope modification. Note that, being concerned and prudent, we have not fully expended all of the funding authorized under this task.

2. The proposal change is to move from a land acquisition emphasis to habitat restoration in the UGA of the City of Yakima. Please note that this is still within the definition of the overall goal of the project: to protect the normative structure and function of critical aquatic and terrestrial habitat in the UGA, and based on the interest from volunteers, landowners and our partners within UGA lands. On page 2 of the memo, "Background – first sentence" please note that acquisition is two fold – to protect 'well functioning existing riparian areas' and secondly to restore and enhance degraded reaches. While the proposed scope does move from 'acquisition with BPA funds', it still includes a strong element directed toward obtaining other funding partners (leveraging of BPA funds) to accomplish this element of the Plan. Options that are currently being considered include:
 - a. grant funding for actual acquisition (eg., our USFWS grant application with Yakama Nation and LaSalle school for restoration, leverage BPA funds)
 - b. fee title acquisitions
 - c. long term conservation easements
 - d. coordination with other entities with project funding (eg., we have found a potential opportunity to use Greenway Foundation funding to acquire priority parcels on the Naches River)
3. The majority of personnel costs discussed in paragraph 3 of page 4 of the subject memorandum are not "administrative" costs. These hours are associated with specific tasks and deliverables as outlined in our FY03 Scope of Work (Attachment 2), and as reported in our three quarterly progress reports (Attachments 3 through 5). All tasks from the Scope of Work (with the exception of Tasks 220 and 310 which relate to acquisition) have been completed and have resulted in the production of numerous deliverables which are outlined in the attached progress reports. These include: four educational exhibit events, ten educational presentations, information distributed in five area newsletters, two press releases, three educational tributary flyers, development and hosting of a website, Technical Work Group meetings, collaboration on habitat protection with the Yakima Greenway Foundation, an engineering feasibility report, three applications for cost-share funding for non-BPA funds in collaboration with our partner agencies (including Yakama Nation and LaSalle High School), among many other deliverables.
4. In page 4, paragraph 3, Council staff indicates that additional information was requested regarding current level of personnel costs. It was unclear to us, in our meeting with NWPPC staff in April and from email received from Mark Fritsch 4/16/04 (Attachment 6) that NWPPC staff were requesting a detailed breakdown of personnel costs for FY03. However, the FY03 scope and budget summarizes personnel costs by task and is included in Attachment 2.

5. The Yakima Habitat Improvement Project has made substantial gains in educating and outreach of this project to the community of Yakima. Through our efforts we have developed a substantial list of landowners interested in habitat improvement activities and volunteers (individuals and organizations) interested in participating in these activities. While we realize that habitat acquisition is no longer an applicable program activity through BPA funding, we feel that that YHIP has gained significant momentum within the Yakima community to complete substantial on the ground habitat improvement activities and to continue to perform education and outreach activities. A discontinuation of the program at this time severely impacts the momentum created to date and the credibility of the program as a whole.
6. Page 4, paragraph 5 states that the “information received does not provide details associated with personnel costs”. This refers to a preliminary scope and budget for FY-04 (third year) that we submitted on April 27 upon request (Attachment 7). The scope is preliminary and was not intended to be a full scope and budget for FY-04. We apologize for any confusion this may have caused. For clarification, the \$200,000 earmarked in Task 200 of the budget for restoration does not include general administrative costs. There is a separate task (Task 500) in that scope for administration. Furthermore, staff correctly pointed out that the “Stream/Riparian Restoration” section of the proposed scope is not fully detailed, however, that has a direct nexus to the lack of authorization to immediately pursue this *future element* of the Plan. We have utilized experience and understanding of costs and rates associated with restoration activities to compute the budget.
7. Comments and conclusions on page five of the memorandum suggest that the project should be defined in the subbasin plan and that it no longer has a role as an individual project. However, this project is identified in the inventory of projects and activities of the Yakima subbasin plan that will be submitted for Council consideration in the near future. Staff points out in this section of the memo that there are a number of efforts and actions on-going in the Yakima Basin now (also included in the inventory), and these projects are not awaiting an **Approved Subbasin Plan**. This project also has the support of a number of entities (including USFWS, Yakima County, Yakama Nation, WDFW, and more [there are 30+ represented through our Technical Work Group]). Furthermore, there is some sense of immediacy with respect to habitat opportunities within and close to an urban growth boundary. Project opportunities today may be subdivisions tomorrow (eg., one of the priority parcels identified in the Master Plan is now the subject of a proposed 160 unit subdivision on Ahtanum Creek). Success within the UGA of the City of Yakima is not and should not be contingent upon a broader Plan. Lastly, if every well initiated and productive individual project (the Yakima Habitat Improvement Plan was identified as such) must await a fully developed regional or global plan to be implemented, then many opportunities, and fish and wildlife, will be irretrievably lost.

We feel we have been ambitious and proactive in trying to move this project forward, working to achieve the overall goals within the constraints of BPA funding. We are invested in the project and felt the need to set the record straight regarding some of the comments in the May 4

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memorandum to Council. We respect the decision you make regarding the future of the project and are grateful for the opportunity to explain our position more fully. Thank you for the opportunity to make this project a meaningful component of our vision for the urban areas within the Yakima Basin.

Lastly, we would appreciate your consideration at the June Council meeting. The project period ends on June 30th, and we have developed a wide array of outreach materials, lists of volunteers for restoration activities, lists of landowners interested in participating in restoration, and potential grant opportunities that will leverage funding and enable some acquisition. Members of the community call our outreach intern, wanting to get involved. If this project is not to continue next year, we must provide direction to interested landowners and volunteers and work toward closure with the many private and public stakeholders that have been involved in the project.

We understand that Council has many difficult decisions to make in the current financial climate, however, we ask that you please consider the momentum that this project has gained within the community over the last two years in making your final decision, and the significant habitat improvement opportunities with interested landowners and volunteers on the horizon if this project is continued.

Please feel free to call Dueane Calvin at (509) 307-8611 with any questions regarding this submittal. Thank you again for your time and attention to this project.

Sincerely,

Dueane Calvin
City of Yakima

cc: Jessica Wilcox, BPA
Stacy Horton, NPCC
Mark Fritsch, NPCC
John Rowan, BPA
Bruce Benson, City of Yakima
Doug Maples, City of Yakima

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