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Montana

Rhonda Whiting
Montana

June 29, 2006

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Mark Fritsch, Project Implementation Manager

SUBJECT: Third Quarter Review of Within-year Project Funding Adjustments for Implementation

PROPOSED ACTION:

At your meeting on July 11, 2006 the Council staff will review the schedule and timeframe associated with the modification requests for the second quarter of Fiscal Year 2006.

This agenda item will be for review and discussion only and no Committee action is requested.

BACKGROUND:

Bonneville, the Council and the Columbia Basin Fish and Wildlife Authority have formed a Budget Oversight Group (BOG) to conduct a budget tracking process. A principle role of the BOG was to validate whether the requests were 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. Reschedules are forwarded to Bonneville for assessment and funding as funds become available and within-year were also forwarded to Bonneville for recommendation on the availability of funds as identified at the second and third quarterly review.

The BOG would use the quarterly reviews of the fiscal year to initiate a prioritization process to establish which budget adjustment requests will be met with the available funding in the Spending Reserve (to support within year budget modification requests). This process also includes a public comment period.

On June 29, 2006 the Council received a letter from Bonneville regarding the funding within-year requests considered during the third quarter of Fiscal Year 2006 (see attachment).

ANALYSIS:

Council staff is anticipating reviewing the requests that are addressed in the letter received from Bonneville. 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 February meeting.

The staff is proposing to bring a recommendation to both the Committee and the Council at the February meeting due to the association of the quarterly review to the end of the fiscal year.

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Department of Energy

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

ENVIRONMENT, FISH AND WILDLIFE

June 29, 2006

In reply refer to: KEW-4

Mr. Doug Marker
Fish and Wildlife Division Director
Northwest Power and Conservation Council
851 SW Sixth Avenue, Suite 1100
Portland, OR 97204-1348

Dear Mr. Marker:

In accordance with the Budget Oversight Group (BOG) process, the BOG conducted the third quarterly review of within-year budget and/or scope modification requests for the third quarter of Fiscal Year 2006. As a result of that review and subsequent further analysis by BPA staff, the following budget modification requests are submitted to Council for evaluation and recommendations regarding the funding of these requests. BPA will consider the Council recommendations and reassess the status of contract commitments, billings to date, and end-of-year accrual projections before making final decisions to adjust individual project budgets. Currently, BPA does not believe that funding will be a limiting factor for funding within-year requests considered during the third quarterly review.

The BOG process incorporates the use of a set of criteria to rank the project requests. The categorization and ranking scheme is as follows:

<u>Category</u>	<u>Priority</u>
Emergency	1
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.	
ESA Commitment of BPA	2
A new or ongoing project that directly implements actions committed to in the November 24, 2004 Updated Proposed Action and were evaluated in a revised BiOp on the FCRPS issued by NOAA Fisheries on November 30, 2004 pursuant to section 7 of the ESA. Except in extraordinary circumstances, such new actions require review by the Independent Scientific Review Panel and Council recommendation prior to BPA approval.	
Project Integrity	3

Actions necessary for the project, though not of an emergency nature, and including major project review (i.e., step review), to avoid the loss of a previous investment; that, if not taken, would:

- a. Jeopardize the performance of the entire project;
- b. Jeopardize the performance of a discrete task or objective of the project causing:
 - 1. adverse biological consequences to the project;
 - 2. loss of critical monitoring and evaluation data;
 - 3. loss of capability to administer the project.

Lost Opportunity

4

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 project or work element is not implemented.

Other

5

Any project not falling into the four categories defined above.

Projects on the current CBFWA website requesting within-year budget adjustments were placed into the above categories by the BOG members. For additional project-specific information, please review the Columbia Basin Fish and Wildlife Authority (CBFWA) website for Within-Year Budget Adjustments (<http://www.cbfwa.org/mods/components/forms/Login.cfm>) or click on the project numbers below to be taken directly to funding request pages.

Project Funding Requests

Category 3b3

Project No. [1991-057-00](#)

Project Name: Yakima Basin Screen Fabrication Phase II

Budget Amount: \$14,911

Funding Category: Capital

This project was completed in April 2006 and is currently operational. WDFW is requesting additional funds to cover costs incurred for the rehabilitation and installation of the Fogarty fish screens that are over and above the original budgeted amount. The screens, gantry, and miscellaneous metal work were fabricated in 1998. The movement of this facility from its original location necessitated unanticipated design changes that resulted in the need for modifications to the metal work portion of this project. Additionally, a 15-percent wage increase granted to fabrication personnel was not included in the original budget request. It is important to note that once this request is decided, this project will be complete and will be closed out.

Project No. [1991-075-00](#)

Project Name: Yakima Fish Screens Construction

Budget Amount: \$60,000

Funding Category: Capital

Unforeseen cost increases in the Fogarty fish screen construction contract and increases in construction supervision and contract administration costs require about a ten-percent increase in the project budget in order to complete all of the tasks identified in the FY 2006 SOW. At this time, nearly the entire FY 2006 budget has been spent, and further work has ceased until additional funds can be obtained. Another contributing factor is increased costs for report preparation that have exceeded our original estimate. All field work and construction at the Fogarty fish screen are complete and the screens are operational. There about eight staff days of administrative work left to close out the construction contract. A reduction in scope would essentially eliminate completion of several Designers Operating Criteria (DOC) documents and would eliminate preparation of the Phase II Completion Report for the project. The funds originally planned for these activities were used to complete the Fogarty construction contract. The DOCs are important documents that provide critical information to project operating personnel at each screen site. The Phase II Completion Report will be a summary document of project accomplishments since the Phase II program was initiated in 1990. It is important to note that once this request is decided, this project will be complete and will be closed out.

Category 4

Project No. [1996-046-01](#)

Project Name: Walla Walla Basin Fish Habitat Enhancement

Budget Amount: \$150,000

Funding Category: Expense

Plans to repair a passage barrier structure on Mill Creek, a tributary to the Walla Walla River, are being proposed. The total anticipated cost for construction is estimated at \$400,000. At this time, approximately \$208,000 have been secured for cost share: \$50,000 from the Walla Walla Watershed Alliance; \$160,000 from the Salmon Recovery Funding Board (58 of which is available for construction); and \$100,000 from BPA under the “small passage projects” source. An additional \$25,000 in cost share is anticipated through the SRFB. Although there is a great deal of cost share committed to this project, there is still a shortfall, hence the reason for this request. No long-term monitoring and evaluation are planned as part of this within-year request. Work is scheduled for completion by September 30, 2006.

Policy Group Discussion

Several projects have been submitted that required review at the policy group level. These projects are as follows:

Project No. [1992-061-00](#)

Project Name: Albeni Falls Wildlife Mitigation Project

Budget Amount: \$2,800,000

Funding Category: Capital

The Idaho Department of Fish and Game (IDFG) submitted a within-year request proposing to utilize capital funding to acquire and protect land in perpetuity. The on-site, in-kind 73+ acre parcel fronts the Pend Oreille River and includes a wetland marsh and approximately 1.5+ miles of riparian habitat. The current landowner plans to split the property into several parcels for development. Failure to acquire this property will not jeopardize the Albeni Falls Wildlife Mitigation Project. After review by BOG members, it was decided that the project needed elevation to the BOG policy group. The BOG policy group has requested a recommendation from the Albeni Falls Workgroup for this request more before making a decision on the request. This additional information has not been received; therefore, the BOG policy group is unable to forward a July decision to the Fish Committee. Information is expected in time for the July Fish Committee review.

Project No. [1997-051-00](#)

Project Name: Yakima Side Channels

Budget Amount: \$0

Funding Category: Expense

Managers of the Yakima Side Channels project are attempting to purchase two, high-priority habitats for permanent protection as approved by BPA in February 2006. This recent request has been submitted to address the possibility of the failure of ongoing negotiations. The two habitat parcels in this request are alternate properties to be purchased. Because the previous approval was project specific, BOG members felt it necessary to elevate the request to the BOG policy group for guidance. After meeting, the policy group decided it needed BOG members to provide additional information. Needed information related to the substitution of these properties for the previously approved acquisitions.

- 1) How does the request fit to the FY 2007–2009 proposal?
- 2) Is this request addressing concerns that can be addressed as part of a reschedule?

Summary

In summary, the total of funding requested in this letter is \$3,024,911. Please feel free to contact either Greg Dondlinger at 503/230-5065 or me at 503/230-5499 for further information or if you have any questions.

Sincerely,



William C. Maslen
Director for Fish and Wildlife

cc:

Mr. Mark Fritsch, Northwest Power and Conservation Council
Ms. Patty O'Toole, Northwest Power and Conservation Council
Mr. Karl Weist, Northwest Power and Conservation Council
Ms. Stacy Horton, Northwest Power and Conservation Council
Ms. Joann Hunt, Northwest Power and Conservation Council
Mr. Kerry Berg, Northwest Power and Conservation Council
Mr. Rod Sando, Columbia Basin Fish and Wildlife Authority
Mr. Tom Iverson, Columbia Basin Fish and Wildlife Authority
Ms. Amy Langston, Columbia Basin Fish and Wildlife Authority

bcc:

G. Delwiche – KE-4
R. Austin – KEW-4
G. Dondlinger – KEWB-4
M. Coffey – KEWB-4
M. Shaw – KEWU-4
P. Lofy – KEWL-4
J. McCloud – KEWL-4
P. Smith – KEWL-4

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