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August 31, 2006

MEMORANDUM

TO: Council Members

FROM: Doug Marker, Director
Fish and Wildlife Division

SUBJECT: Recommendations on within-year requests for Project 2000-001-00 Improvement of Anadromous Fish Habitat and Passage in Omak Creek, and Project 1992-061-00, Albeni Falls Wildlife Mitigation.

INTRODUCTION:

On August 25, 2006 Bill Maslen, Brian Lipscomb and I met as the BOG Management Group to discuss project funding requests for FY 2006. With the fiscal year closing on September 30th, there are two projects seeking expedited Council action. At your meeting in September the Council staff will provide an overview of the proposed actions and seek approval from both the Committee and the Council.

PROPOSED ACTION:

The Council staff recommendations are to deny the request for the Improvement of Anadromous Fish Habitat and Passage in Omak Creek for \$133,686 and approve the request for the Albeni Falls Wildlife Mitigation for \$122,500 capital.

SIGNIFICANCE:

Currently Project 2000-001-00 Improvement of Anadromous Fish Habitat and Passage in Omak Creek is operating at the approved FY 2006 expense budget of \$185,000 and Project 1992-061-00, Albeni Falls Wildlife Mitigation is operating under a FY 2006 capital budget of \$5,500,000. Total costs associated with the staff recommendation would add \$122,500 to the FY 2006 capital budget associated Albeni Falls request.

BACKGROUND:

1. Project 2000-001-00, Improvement of Anadromous Fish Habitat and Passage in Omak Creek

This request is for additional funding to replace two undersized-culverts on Omak Creek. This task is identified in the 2006 proposal and budgeted for \$82,686 based on a previous construction estimate. Recently, bids for the culvert replacements were received and the lowest bid received was \$216,372, a difference of \$133,686. The sponsor states that the increase is due to increases in cost of materials and fuel. The BOG did recommend that this project, with others reviewed at their August meeting, wait for the first quarter FY 2007 review. Under that schedule, the Council would not act on it until February 2007.

The concern for the project sponsor is that the "work window" for installing these culverts is in the fall and that waiting for action in FY 2007 risks the possibility that one or both of these culverts being overtopped and washing out before the culverts could be replaced, consequently damaging steelhead spawning habitat downstream from the culverts.

The project sponsor is requesting a September Council decision. In conversations with the tribe, they anticipate that about 2/3 of the work could be completed by September 30, 2006. Bill Maslen and Brian Lipscomb endorsed the request so that the work can be completed this fall.

Council staff believes that this request does not meet the emergency criteria that warrant the request to be brought to the Council outside the standard BOG process. The BOG deferred this request to the first quarter of FY 2007 since the funds and the work element addressed in the requests would not be billed or completed until FY 2007. The Council staff concurs with the BOG decision. Although we expect that sufficient funds remain available in FY 2006 for this request, the balance of available FY 2006 funds will be carried forward into Bonneville's FY 2007 budget where there are a number of competing demands for those funds.

2. Project 1992-061-00, Albeni Falls Wildlife Mitigation

BPA has decided that 80 acres of its Sand Creek Substation property will not be needed to meet its transmission requirements. The 80 acres is currently forestland and to qualify as a capital project, can retain part of a migration corridor, with the high potential to be utilized as winter range by native ungulate species. Credit would be awarded under the Albeni Falls mitigation program set up to mitigate for the Albeni Falls hydropower facility.

BPA will retain ownership of it, and it will be managed for wildlife mitigation per a management MOA with the Kalispel tribe. BPA has decided the property transfer will be at a book value of \$122,500. BPA will account for the cost as a transfer its Transmission Business Line to the Power Business Line as a Program wildlife acquisition.

This transfer allows additional wildlife mitigation for Albeni Falls to be accomplished with available FY 2006 capital funds that cannot be carried forward into FY 2007. During the review

by the BOG Management Group the only concern expressed was a confirmation from the Albeni Work Group that this acquisition meets the mitigation priorities of the Work Group. Council staff supports this acquisition.