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January 9, 2007

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Mark Fritsch, Project Implementation Manager

SUBJECT: Quarterly Review on Within-year Project Funding Adjustments for Implementation

PROPOSED ACTION

At your meeting on January 16, 2007 the Council staff will review the schedule and timeframe associated with the funding adjustment requests for the first quarter of Fiscal Year 2007 (see attachment 1). 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 February meeting.

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 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 fund in the current Fiscal Year project budget. This process also includes a public comment period.

On January 9, 2007 the Council received a letter from Bonneville regarding the funding within-year requests considered during the first quarter of Fiscal Year 2007 (see attachment 2).

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 needs of these requests as it relates to the anticipated field season.

Attachment 1. Within-year project funding adjustments being addressed as part of the first quarter of Fiscal Year 2007.

Category	Project #	Project Title	Sponsor	FY 2007 Budget	Request
3a					
	2005-003-00	UPA Entiat 4-Mile Wells	Chelan County Conservation District	FY'06@\$60,850	\$3,147
	2006-007-00	Little Bridge Creek Fence	Okanogan Conservation District	FY'06@\$80,869	\$23,760
3b1					
	1990-018-00	Lake Roosevelt Rainbow Trout Habitat/Passage Improvement Project	Colville Confederated Tribes	\$679,385	\$44,000
	1989-098-03	Idaho Supplementation Studies	Shoshone-Bannock Tribe	\$245,000	\$15,000
4					
	1997-051-00	Burlington Northern Santa Fe/ Interchange Pond- Habitat Acquisition	Yakama Nation	\$46,666	\$628,000
		Yakima Side Channels–Hundley Property Acquisition	Yakama Nation		\$1,225,000
5					
	1988-053-01	Grande Ronde/Imnaha Endemic Spring Chinook Supplementation, Northeast Oregon Hatchery	Nez Perce Tribe	\$7,492,439 Capital	\$123,034 Capital
	1988-115-25	Yakima Klickitat Fisheries Project, Design & Construction (Nelson Springs replacement facility)	Yakama Nation	\$0	\$691,571
	2003-063-00	Natural Reproductive Success & Demographic Effects of Hatchery-Origin Steelhead in Abernathy Ck., Washington	USFWS	FY'06@\$391,422	\$464,558
	1997-038-00	Listed Stock Salmonid Gamete Preservation	Nez Perce Tribe	\$65,000	\$91,000
	1988-120-25	YKFP Management, Data and Habitat	Yakama Nation	\$266,666	\$183,000

Attachment 2: Letter received on January 9, 2007 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

January 9, 2007

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 first quarterly review of within-year budget and/or scope modification requests for the first quarter of Fiscal Year 2007. 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 potential funding. BPA will consider the Northwest Power and Conservation Council (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.

BPA reviews each request for technical merit and management priority. BPA staff have assessed the current list of requests and believe that the following requests are technically sound, but we are seeking comment and recommendations. In accordance with the BOG process, BPA is also requesting public comment on these requests for the next 14 days.

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

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 and/or wildlife resources or to mitigate serious human health or safety issues.

2. **ESA Obligation** – A new or ongoing project that addresses actions committed to by the Action Agencies to implement biological opinions. New projects will be reviewed by the Independent Scientific Review Panel, BPA and the Council prior to BPA funding.
3. **Threats to 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
 - b. Jeopardize the performance of a discrete task or objective of the project causing:
 1. adverse biological consequences to the project;
 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 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.

Project Funding Requests – BPA Recommended

Category 3a

Project No. [2005-003-00](#)

Project Name: UPA Entiat 4-Mile Wells

Budget Amount: \$3,147

Funding Category: Expense

Chelan County Conservation District is requesting funds to install two private wells. The current wells are unable to pump sufficient irrigation water for the property, requiring the landowner to continue using the in-stream diversion. Continued use of the in-stream diversion would maintain the fish passage barrier and stream drawdown problems at the site. The additional dollars for this request are to provide for drilling a deeper well than what was originally estimated.

Project No. [2006-007-00](#)

Project Name: Little Bridge Creek Fence

Budget Amount: \$23,760

Funding Category: Expense

The Okanogan Conservation District (OCD) is requesting additional dollars to complete fencing in the Methow subbasin. This project was first proposed with the cost of \$3.00 per constructed foot for the fence, a figure that the Natural Resource Conservation Service uses for their cost share. The Council felt the amount was excessive and asked if OCD could reduce the cost. The project sponsor

has been unable to complete the fence for the contracted amount of \$125,880 but, as the Council requested, was able to reduce the budget \$31,158 less than the original request. Several events that were beyond control of the OCD have slowed the project and increased costs, including the location of the fence determined by the USFS is an old road bed. Although brush removal from the road bed was easy, digging was difficult in the compacted earth of the road bed. A 30-inch hole for every post (three per brace and a brace at every turn) required extra time for excavation. It was not possible to avoid this problem ahead of time because the exact location was undetermined until shortly before the fence was built. The original request of \$3/ft tries to take these kinds of contingencies into account. Failure to complete the entire fence allows cattle to have continued access to the stream and fail to achieve biological objectives of the protection of spawning and rearing habitat in Little Bridge Creek.

Category 3b1

Project No. [1990-018-00](#)

Project Name: Lake Roosevelt Rainbow Trout Habitat/Passage Improvement

Budget Amount: \$44,000

Funding Category: Expense

The Colville Confederated Tribes proposes to conduct habitat improvement and stabilization work to prevent possible adfluvial redband rainbow trout passage barriers at Bridge Creek, Thirty Mile Creek and South Nanamkin Creek. Thirty Mile and Bridge Creek are important perennial streams that provide spawning and rearing habitat for kokanee and native redband rainbow populations. The proposed work is needed because high flows due to repeated rain events just prior and during the spring runoff, damaged existing structures and improvements in the three creeks. The nature of the damages on Bridge Creek are related to the Ferry County culvert at the Old State Highway between Phase I and Phase II of Bridge Creek improvements, which blew out, causing the new channel below the culvert to fill in with sediment. These are emergency repairs, and there are no reductions in the existing scope of work that would allow funding of the needed work.

BPA's recommendation, which has been agreed to by the Tribe, is to treat this request as a preschedule of work into the current FY06–FY07 contract, resulting in a reduction of the Tribe's FY07–FY08 contract for this project. This is a one-time reduction in the FY07 budget only. The project budget will be increased to those levels approved in FY08 and FY09.

Category 5

Project No. [1988-053-01](#)

Project Name: Grande Ronde/Imnaha Endemic Spring Chinook Supplementation, Northeast Oregon Hatchery

Budget Amount: \$123,034

Funding Category: Capital

The Nez Perce Tribe is seeking approval of this budget modification for continued funding through 2007 in support of the planning process. The co-managed nature of the NEOH program requires the NEOH M&E project leader to interact extensively with researchers, local management and

production staff from ODFW and CTUIR. The project leader regularly participates in the Technical Oversight Team (TOT) and LSRCP annual operating plan meetings. These co-manager meetings provide consensus building, information sharing and direction for the monitoring and evaluation activities in northeast Oregon. Hence, the project leader helps facilitate an adaptive management process that will benefit the NEOH program in the future. Continued funding for M&E staff will allow full participation in these NEOH-related forums.

BPA is recommending that these funds be folded into the start-of-year budget for the capital portion of the F&W direct program budget.

Project No. [2003-063-00](#)

Project Name: Natural Reproductive Success & Demographic Effects of Hatchery-Origin Steelhead in Abernathy Ck., Washington

Budget Amount: \$464,558

Funding Category: Expense

The U.S. Fish and Wildlife Service did not understand that a solicitation was underway and, therefore, was unaware they needed prepare a proposal. They asked to be included after the close of the solicitation period. The Council allowed for the project sponsor to request funding via the within-year process.

This project is long term and involves researchers from diverse fields, including fish genetics, culture, behavior, physiology, and ecology. All research is integrated and the loss of any one part negatively impacts all of the research. This is the only BPA project concerning reproductive success that is also: 1) monitoring the productivity of the stream affected by the hatchery population as well as 2) control streams and 2) evaluating the biological differences and the ecological interactions between hatchery-origin (HOR) and natural-origin (NOR) steelhead. This project investigates several generations of steelhead. The project follows the origination of a hatchery broodstock (HOR) from a natural-origin (NOR) steelhead population and investigates the potential genetic and phenotypic diversion of HOR broodstock from the NOR population and the impact of HOR on NOR steelhead in Abernathy Creek. Because the data being collected are from related generations of steelhead, any break in the data recovery will result in an irretrievable loss of information.

This study was identified during a gap analysis and was one of several projects specifically solicited for hatchery effectiveness research. Because BPA is operating under the current biological opinion, we are recommending this request be granted. However, our recommendation is contingent on a favorable ISRP review.

Project Funding Requests – BPA Deferred

Project No. [1988-115-25](#)

Project Name: Yakima Klickitat Fisheries Project, Design & Construction (Nelson Springs replacement facility)

Budget Amount: \$691,571

Funding Category: Expense

The YKFP proposes to replace the Nelson Springs buildings with low-cost modular facilities to house the necessary YKFP monitoring, evaluation, and data management needs. The principal activities will include 1) conduct a phased demolition of existing facilities at Nelson Springs site; 2) construct adequate replacement facilities consistent with planning and design for modular facilities which were completed in FY2005. The funding request would cover the following: relocating equipment, staff, furnishings and supplies to a temporary on-site location (existing residential structure) to allow old facility demolition; performing modular facility site preparation; installing modular facility and connect utilities; completing site work; relocating equipment, staff, supplies and furnishings to new facility; demolishing residential structure and reclaim underlying property.

After a review of the budget, BPA feels the dollar amount requested is excessive. BPA has requested additional information from the Yakama Tribe; we are deferring judgment on their request pending review of additional information from the project sponsor. BPA has not yet received the requested information and is, therefore, deferring our recommendation until the additional information is received.

Project Funding Requests – BPA Deferred

Project No. [1988-120-25](#)

Project Name: YKFP Management, Data and Habitat

Budget Amount: \$183,000

Funding Category: Expense

Appropriate professional grade facilities are necessary to support the performance of Monitoring and Evaluation activities and Data Management Activities funded through this project and through other Bonneville-funded YKFP projects, including the M&E project; the YKFP Operation and Maintenance project, and Steelhead Kelt Reconditioning. This project shares the biological objectives of the Yakima Basin Monitoring and Evaluation project. Those objectives relate to understanding (1) ecological impacts of supplementation on non-target taxa, and impacts of strong interactor taxa on productivity of targeted stocks, (2) genetic change due to domestication and potential genetic change due to in-basin and out-of-basin stray rates, and (3) changes in harvest of YKFP targeted stocks. The objectives include determining if supplementation and habitat actions increase natural production. The M&E project also evaluates changes in natural production with specified statistical power. The M&E and data management facilities at Nelson Springs are an essential part of the infrastructure supporting pursuit of the M&E project objectives. Current unsafe and substandard conditions prevent the efficient performance of the tasks necessary to meet the M&E and other project objectives.

BPA understands that the Yakama Nation is making this request in the event their request for a Nelson Springs replacement facility (project # 1988-115-25) is declined. Because BPA is unwilling to render a decision on the Nelson Springs replacement facility until requested information received, we are deferring our recommendation on this request as well.

Recommendations for the following projects are being deferred to coincide with BPA's schedule for release of its FY 2007 funding decision. Funding levels, if any, for these projects will be addressed in BPA's start-of-year budget.

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

Project Name: Burlington Northern Santa Fe/ Interchange Pond- Habitat Acquisition

Budget Amount: \$628,000

Funding Category: Expense

The Yakama Nation is requesting funds for acquiring the Burlington Northern Santa Fe property, a holding property within the BPA-owned Cle Elum Hatchery property. Securing this property will consolidate intact habitat and secure access and management control of the hatchery facility and surrounding habitat lands. The Interchange property will protect 42 acres of pond, riparian, flood-plain habitat and will add significant restoration potential for what species in a critical habitat corridor. This property is located between the YKFP-managed Hanson Ponds and Dixon properties.

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

Project Name: Yakima Side Channels–Hundley Property Acquisition

Budget Amount: \$1,225,000

Funding Category: Expense

The Hundley property contains ~1.5 river miles of prime salmon spawning habitat, significant off channel backwater habitats, >40 acres of connected ponds and wetland habitats, and two tributary confluences (Nelson Creek, un-named). The property is located adjacent to hundreds of acres of protected properties owned by, Suncadia Resort, WDFW, DNR, State Parks and BPA, and is a critical habitat link in the upper Yakima River ecosystem. Once the property is protected, Co-managers will enhance the riparian zone, diversify the bank slopes and channel roughness, improve stream connectivity in ponds and side channel habitats, utilize ponds for coho acclimation sites, control noxious weeds and replant native grasses and shrubs in the upper flood-plain terraces; other activities as determined.

Project No. [1997-038-00](#)

Project Name: Listed Stock Salmonid Gamete Preservation

Budget Amount: \$91,000

Funding Category: Expense

Significant numbers of gamete samples have been preserved from many populations in the Snake River basin. However, collections from many significant wild populations remain small, and even many of the collections from hatchery populations consist largely of hatchery-origin fish. Continuing this project will increase the number of preserved gamete samples from the imperiled wild populations and allow the collection of gametes from additional natural-origin fish from hatchery-integrated systems. Hatchery- and natural-origin fish interaction in an integrated hatchery program adds an additional threat to genetic diversity persistence and increases the need to preserve natural origin diversity from a population.

An important objective of the Salmonid Gamete Preservation project is to determine the diversity of the fish that contributed gametes to the gene bank and compare it to that of the source populations. Diversity will be evaluated using genetic and demographic parameters and results will determine when adequate diversity has been preserved relative to the parameters outlined in the collection strategies presented above. This information will be used to evaluate of the genetic diversity contained in the gamete repository, determine genetic structure of Chinook salmon and steelhead populations and serve as a baseline to monitor shifts or losses of genetic variation over time.

The project sponsor believes the amount requested via the within-year process will maintain the project integrity while conducting a regional review of the project. Funding will enable ISRP, NPCC, NOAA, CBFWA review of the management plan. In addition, the project leader will pursue cost-share funding from other sources.

BPA encourages due diligence in the pursuit of cost-share sources.

Summary

In summary, the total of expense funding requested in this letter is \$535,465, and the total of capital funding is \$123,034. We believe these projects are consistent with priorities identified during previous Council provincial reviews and/or other BPA and Council discussions.

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,

A handwritten signature in black ink that reads "William C. Maslen". The signature is written in a cursive style with a small star above the letter 'i' in "William".

William C. Maslen
Director for Fish and Wildlife