

Tom Karier
Chair
Washington

Frank L. Cassidy Jr.
"Larry"
Washington

Jim Kempton
Idaho

W. Bill Booth
Idaho



Joan M. Dukes
Vice-Chair
Oregon

Melinda S. Eden
Oregon

Bruce A. Measure
Montana

Rhonda Whiting
Montana

March 1, 2007

MEMORANDUM

TO: Council Members

FROM: Lynn Palensky

SUBJECT: Report on Coordination Contracts

BACKGROUND: At the January Council meeting, staff provided an update on the five regional coordination proposals. As conditions of funding for the proposals, Council Members asked for:

- A review of activities after one year of performance;
- A menu of appropriate coordination functions and needs for the program; and
- Monthly expenditure and quarterly progress reports contracting.

I will give a brief verbal status report on progress, and then invite participating sponsors to provide individual updates. I would also like to spend a few moments to discuss the implementation decision in Bonneville's decision letter that pertains to coordination projects -- definitions and funding. Bonneville defines coordination in a much broader sense than the Council has and it is worth spending some time discussing. I have included the language in Bonneville's decision letter relating to coordination and Bonneville's funding table on coordination projects as attachments to the memo.

The Upper Columbia United Tribes are hosting a meeting on April 11 with the five sponsors and Council and Bonneville staff to continue discussing future coordination needs in the context of the program amendments and contracting.

Bonneville Power Administration (BPA) Fish and Wildlife Program Implementation Fiscal Years 2007- 2009**February 26, 2007 -*****Excerpt on Coordination:******Coordination***

BPA supports three types of coordination: (1) coordination embedded as a component of a larger project; (2) watershed coordination; and (3) regional coordination. While some of this work is critical to directing and implementing on-the-ground projects, much of it does not directly benefit fish and wildlife, or further the coordination priorities highlighted in the Northwest Power Act (to assist anadromous fish mitigation at and between FCRPS dams). Therefore, BPA is moving to redirect its funding toward a target of no more than 5 percent of direct Program funding allocated programmatically to these coordination functions.

Embedded Coordination

Many of the habitat and other projects discussed in previous sections contain coordination work elements. While these elements can serve a function that is vital to the performance of project objectives (e.g., enlisting landowner support for habitat actions), other times they may not (e.g., meeting attendance unrelated to project purposes). Even when coordination costs reflect necessary Program administration requirements (e.g., Statement of Work and Annual Report preparation), they are not, ultimately, on-the-ground actions that convey direct biological or environmental benefits to fish and wildlife. Since BPA and the Council have focused on programmatic categorizations that we derived from project-level characterizations (i.e., the principal thrust of project purposes viewed in its entirety), this type of coordination spending is generally not included in our 5 percent programmatic goal for coordination and data management. Over time, however, these costs will be increasingly visible in work element format, through management, tracking, and reporting in PISCES. As such, it will be important to use this information to ensure that embedded coordination tasks are primarily limited to those activities which are clearly linked to project implementation success.

Watershed Coordination

In addition to embedded coordination, BPA supports several watershed-based coordination functions through projects that are included in the 5 percent goal. The purposes of these projects vary; however, several were originally initiated as pilot demonstrations or “models” 10 or more years ago at a time when few resources were available to facilitate in the development, or demonstrate the merits, of watershed-based planning and implementation. In the intervening years, each state has developed management structures and a network of support and resources for watershed-based action and investment.

This area of Program implementation may also be due for a principled revisiting of efficiency and effectiveness. While these functions and structures are valuable in marshalling local support for mitigation activities and leveraging non-BPA funding to bring habitat and other direct actions to fruition, it is also important to note that the more the Program spends to “coordinate” the activities of others, the less funding is available for mitigation efforts. Consequently, while we believe that this work is important, and the additional activities leveraged by it bring about a greater biological benefit to fish and wildlife, BPA also believes that these costs should be managed to be no larger than absolutely necessary given that they, alone, do not go to direct on-

the-ground actions – particularly where other sources of funding support exist through local, state, and national programs.

Regional Coordination

In the past, BPA has funded some broad regional coordination projects, the intent of which was to support a forum through which fish and wildlife managers could build consensus recommendations to the Council regarding the development of the Program. BPA agrees with the Council that it is time to review this portion of the Program to narrow and clarify the range of activities that BPA will fund. Following the Council's recommendation, BPA will provide for the regional coordination projects for one project year only in FY07, to allow the fish and wildlife managers to assist BPA and the Council in a review of coordination work and the development of a comprehensive coordination framework, under which BPA funds would contribute to coordination activities necessary to support its FCRPS mitigation activities. For the out years (2008-09), BPA is creating a placeholder fund that is equal to the level of funding associated with regional coordination in FY06. Regional coordination activities, projects, and "delivery mechanisms" that result in recommendations from this FY07 coordination review would be funded by this placeholder and limited to the total level of FY06 spending. As such, it will be critical for the fish and wildlife managers to determine the best delivery mechanism for their collective input toward FCRPS mitigation, in the most efficient and effective way possible.

See attached Table 7 - Coordination Projects

Table 7. Coordination Projects

Proposal #	Proposal Title	Organization	Province	06 SOY	Council Rec. FY07 (Expense)	Council Rec. FY08 (Expense)	Council Rec. FY09 (Expense)	BPA 07 Project-Year Budget (Expense)	BPA 08 Project-Year Budget (Expense)	BPA 09 Project-Year Budget (Expense)	Notes
198906201	Annual Work Plan CBFWA	Columbia Basin Fish & Wildlife Authority (CBFWA)	Basinwide	\$1,852,515	\$2,071,450	\$-	\$-	\$2,071,450	\$-	\$-	In FY07, budget is consistent with Council recommendation. BPA intends to separate data/web services that serve program needs from regional coordination services via two separate contracts (no net impact to project budget). Funding recommendation for FY08 and 09 is dependent on further review and outcome of the effort to develop of a comprehensive coordination framework. [See footnote reference: R15 (coordination)]
199202603	Upper Salmon Basin Watershed Project (USBWP) provides technical and administrative support with project implementation guidance to landowners to implement fish habitat projects on private lands.	Idaho Soil Conservation Commission	Mountain Snake	\$356,458	\$655,000	\$655,000	\$655,000	\$-	\$-	\$-	Move funds for coordination, planning, design and implementation to 2007-394-00 (Idaho Watershed Habitat Restoration - Lemhi County). Bonneville will determine contractor(s) based on application of Council recommended project guidelines and restoration of ESA weak stock habitat.
199405900	Yakima Basin Environmental Education Program	Eco-Northwest	Columbia Plateau	\$135,000	\$-	\$-	\$-	\$100,000	\$-	\$-	[See footnote reference: R3 (Close)]
199506425	YKFP Policy/Plan/Technical	Washington Department of Fish and Wildlife (WDFW)	Columbia Plateau	\$186,700	\$183,333	\$183,333	\$183,333	\$180,000	\$180,000	\$180,000	This project provides the infrastructure for the YKFP.
199607000	McKenzie Focus Watershed	McKenzie Watershed Alliance	Lower Columbia	\$127,133	\$-	\$-	\$-	\$35,000	\$-	\$-	\$35K for closeout costs.
199608600	Clearwater Focus Program, Idaho SCC	Idaho Soil Conservation Commission	Mountain Snake	\$103,626	\$98,000	\$98,000	\$98,000	\$98,000	\$98,000	\$98,000	
199706000	Focus Watershed Coordinator - Nez Perce Tribe	Nez Perce Tribe	Mainstem	\$140,000	\$147,000	\$147,000	\$147,000	\$140,000	\$140,000	\$140,000	Maintain current scope and funding level.
199800401	Columbia Basin Bulletin	Intermountain Communications	Basinwide	\$135,000	\$150,000	\$150,000	\$150,000	\$135,600	\$100,000	\$50,000	BPA is renewing its intent to transition this project to other funding sources over three years. The CBB is a communication project that provides no direct benefit to fish and wildlife. This newsletter could be funded by subscriptions or other mechanisms. [See footnote reference: R5 (Close 3yrs)]

199803100	Implement Wy-Kan-Ush-Mi Wa-Kis	Columbia River Inter-Tribal Fish Commission (CRITFC)	Basinwide	\$200,000	\$210,000	\$-	\$-	\$210,000	\$-	\$-	See footnote reference: R18 (coordination).
200103100	Intermountain Province Resident Fish Conference and E-Library	Lake Roosevelt Forum	Intermountain	\$45,000	\$-	\$20,000	\$20,000	\$-	\$20,000	\$20,000	
200201500	Provide Coordination and Technical Assistance to Watershed Councils and Individuals in Sherman County, Oregon	Sherman County Soil & Water Conservation District (SWCD)	Columbia Plateau	\$68,337	\$-	\$-	\$-	\$68,337	\$68,337	\$68,337	Budgeted to support development of riparian work for listed anadromous fish with low productivity by leveraging CREP/CRP funds. Funding contingent upon completing ISRP responses (if needed), focusing on Subbasin and Recovery Plan priority limiting factors and priority from BiOp Remand collaboration. [See footnote reference: R13 (BiOp Projects Not Recommended by Council)]
200202600	Morrow County Riparian Buffers Umatilla County Riparian Buffers	Morrow County Soil & Water Conservation District (SWCD)	Columbia Plateau	\$79,657	\$-	\$-	\$-	\$33,000	\$-	\$-	See footnote reference: R3 (Close).
200710600	Spokane Tribe Fish and Wildlife Planning and Coordination	Spokane Tribe	Basinwide		\$65,000	\$-	\$-	\$65,000	\$-	\$-	See footnote reference: R15 (coordination).
200710800	Regional Coordination for Upper Columbia United Tribes	Upper Columbia United Tribes	Basinwide		\$69,594	\$-	\$-	\$69,594	\$-	\$-	See footnote reference: R15 (coordination).
200711700	Comprehensive Assessment of Coho Salmon Restoration Efforts in the Mid-Columbia and Mid-Snake River Basins	Columbia River Inter-Tribal Fish Commission (CRITFC)	Basinwide		\$-	\$-	\$-	\$-	\$-	\$-	See footnote reference: R14 (DNF).
200716200	Kalispel Tribe Fish and Wildlife Coordination	Kalispel Tribe	Basinwide		\$65,000	\$-	\$-	\$65,000	\$-	\$-	See footnote reference: R15 (coordination).
200728000	Columbia River Basin Journal	Intermountain Communications	Basinwide		\$-	\$-	\$-	\$-	\$-	\$-	See footnote reference: R14 (DNF).
200738100	Lower Columbia Fish Enhancement Group Community-Based Multi-Sub-Basin Habitat Restoration Program	Lower Columbia Fish Enhancement Group	Columbia Estuary		\$-	\$-	\$-	\$-	\$-	\$-	See footnote reference: R14 (DNF).
Coordination	(blank)	(blank)	Basinwide		\$-	\$-	\$-	\$-	\$2,052,515	\$2,052,515	Holding coordination budgets in FY08 and 09 to FY06 levels following a review of coordination work.

Placeholder											
Grand Total				\$3,429,426	\$3,714,377	\$1,253,333	\$1,253,333	\$3,270,981	\$2,658,852	\$2,608,852	

References
R3. Funding level reflects estimated closure costs in FY07 (including amounts expended as part of contract extensions in FY07).
R5. Funding level reflects a transition to project closure at the end of FY09.
R13. BPA will fund the portions of this project that directly benefit ESA-listed stocks. The funding amount will be negotiated during BPA's contracting process and reported to the Council, but is expected to range from 60-80% of the requested amount.
R14. Do not fund. BPA concurs with the Council recommendation.
R15. BPA has not set project-specific budgets for regional coordination in FY08 and 09. Funding for this project will be based on a review of the coordination needed to support collaborative Program development and implementation, as well as the appropriate levels of expected cost-share. BPA expects the Council to make follow-up funding recommendations no later than June 30, 2007, in order for BPA to make timely FY08-09 funding decisions and contract for regional coordination projects prior to the start of the fiscal year.
R18. As per the Council's comprehensive O&M recommendation, November 20, 2006, budgets for FY07, 08, and 09 are draft pending the outcome of ongoing regional discussions.