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May 3, 2007

## MEMORANDUM

**TO:** Council Members

**FROM:** Mark Fritsch, project implementation manager

**SUBJECT:** Follow up actions on Fiscal Years 2007 - 2009 project recommendations

### PROPOSED ACTION:

Council staff recommends the following actions for these two fish and wildlife projects, recommended for funding in FY 2007-2009.

- Select Area Fisheries Enhancement Project, Project 1993-060-00. Based on the joint ISRP and IEAB review, the staff believes sponsors have adequately addressed the funding conditions placed on this project by the Council.
- Desert Wildlife Area O&M (Wetland Enhancement), Project 2006-003-00. Based on a favorable review by the ISRP, the Council staff recommends support for Bonneville's funding recommendation.

### SIGNIFICANCE:

The Council confirms the recommended expense budgets for these two projects as defined in Bonneville's implementation plan for Fiscal Years 2007, 2008, and 2009.

### BACKGROUND and ANALYSIS:

The Council made its final project funding recommendations to Bonneville for FY 2007-09 at its October 2006 meeting. In making its recommendations, the Council provided comments on certain projects as a condition to funding. These comments generally addressed concerns raised by the Independent Scientific Review Panel (ISRP)

1. Select Area Fisheries Enhancement Project (SAFE), Project 1993-060-00<sup>1</sup>

In 1993, Bonneville initiated the Columbia River Terminal Fisheries Project (now named the Select Area Fishery Evaluation (SAFE) project), a 10-year comprehensive program to investigate the feasibility of terminal fisheries in Youngs Bay and other sites in Oregon and Washington. This cooperative project between the Oregon Department of Fish and Wildlife (ODFW), Washington Department of Fish and Wildlife (WDFW), and Clatsop County Economic Development Council's (CEDC) Fisheries Project explored the means to increase the harvest of hatchery fish while providing greater protection to weak wild salmon stocks.

On June 21, 2004, project sponsors submitted the "Select Area Fishery Evaluation Project, 1993-2003 Final Project Completion Report." As part of the provincial review decision for FY 2003-05, the Council requested that the project undergo a joint ISRP/IEAB evaluation. On March 16, 2005, the ISRP/IEAB provided their review (ISRP & IEAB document 2005-8). The review identified a number of biological and economic issues that needed additional consideration and improvement.

As part of the Fish and Wildlife Project Funding Recommendations for Fiscal Years 2007 through 2009<sup>2</sup>, the Council approved funding on condition that the sponsors submit information to the ISRP and IEAB addressing the biological and economic issues raised in their joint review (ISRP/IEAB document 2005-8).

On December 11, 2006 the Council received the sponsors submittal, including an Economic Analysis Study Final Report (November 2006) and a Final Project Completion Report (April 2006). The ISRP and IEAB completed the joint review on April 11, 2007 (ISRP & IEAB 2007-3). The ISRP evaluation focused on the project report; the IEAB evaluation provided an economic analysis.

Both the ISRP and IEAB found that the SAFE project had successfully addressed the conditions placed on the project, but expressed concerns regarding the quality of the information provided.

Based on the information received, the ISRP provided 6 recommendations on expanding production, enumeration of smolt releases, estimation of coho strays, project design and analysis, fish marking and, on an interesting note, the project's potential to contribute to a better understanding of ocean conditions.

The IEAB stated that the SAFE project provides economic benefits by providing fish for harvest opportunities while minimizing impact on protected stocks. While the total project costs appear to exceed this benefit, preliminary economic analysis provides some support to the argument that the SAFE releases are more cost-effective for increasing harvest compared to other hatcheries in the Columbia River Basin.

It is evident from both review panels that any expansion of production (i.e., above 4,850,000) is not warranted until a risk management plan and an economic analysis supporting such expansion

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<sup>1</sup> The Council recommended a \$1,673,597 expense budget in Fiscal Year 2006.

<sup>2</sup> The Council and Bonneville recommended an expense budget in Fiscal Years 2007, 2008, and 2009 at \$1,800,000 per year.

is developed for the project. Based on the joint review by the ISRP and IEAB, the Council staff believes sponsors have adequately addressed the Council's funding conditions. Comments provided by the joint review should be considered during the development of the next project solicitation process.

2. Desert Wildlife Area O&M (Wetland Enhancement), Project 2006-003-00<sup>3</sup>

The project focuses on wetland enhancement projects designed to increase the areas of submerged aquatic vegetation and open water area for waterfowl. The project was not recommended by the Council for Fiscal Years 2007 - 2009, but was recommended as part of Bonneville's implementation plan for Fiscal Years 2007 - 2009, at \$166,281, \$143,002, and \$143,002, respectively. Bonneville made this funding recommendation on condition that the sponsors address O&M on lands previously owned by the Washington Department of Fish and Wildlife (WDFW).<sup>4</sup>

Since the proposal received a "Not fundable" recommendation by the ISRP, the sponsors needed to respond to the ISRP's issues and concerns identified in their final recommendation of proposals submitted for Fiscal Years 2007-2009 (ISRP document 2006-6)<sup>5</sup>. On March 13, 2007, the Council received WDFW's response to these concerns.

On April 19, 2007 the ISRP provided their review, judging that the project "meets scientific review criteria" (ISRP document 2007-4). The ISRP found that the response had adequately addressed their concerns, but also suggested ways for improvement for future work and proposals.

Based on this favorable review by the ISRP, the Council staff recommends that the Council support the project funding recommended by Bonneville.

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<sup>3</sup> The Council recommended a \$228,000 expense budget in Fiscal Year 2006.

<sup>4</sup> Information received from Bonneville qualifies the recommended funding level to address only the work elements associated with TD -1 and 2.

<sup>5</sup> Bonneville Footnotes Reference R10.