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June 28, 2007

## MEMORANDUM

**TO:** Fish and Wildlife Committee Members

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

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

### PROPOSED ACTION

At your meeting on July 11, 2007, Council staff will review the schedule and timeframe associated with the funding adjustment requests for the second 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 August meeting.

### BACKGROUND

The Bonneville Power Administration, 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 is to validate whether the requests are 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 (1-5). 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 June 28, 2007 the Council received a letter from Bonneville summarizing the within-year requests being considered during the third quarter of Fiscal Year 2007 (see attachment 2).

## **ANALYSIS**

Of the 13 requests reviewed by the BOG during the 3<sup>rd</sup> quarter of Fiscal Year 2007, eleven requests will need a decision in August. As outlined in the attached table, two requests have been dealt with as emergencies during this quarter. The remaining projects listed have been deferred from the 2<sup>nd</sup> quarter.

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 August meeting.

**Attachment 1. Within-year project funding adjustments received as part of the third quarter of Fiscal Year 2007.**

Category	Project #	Project Title	Sponsor	FY 2007 Budget (BPA)	Request	Status
<b>1</b>						
	1989-035-00	Umatilla Hatchery	ODFW	\$941,664	\$23,012	Approved, BPA 4-16-07
<b>2</b>						
	2005-012-00	Modifications at Oxbow Fish Hatchery for Redfish Lake Sockeye Smolt Program	ODFW	\$0 (NWPPC FY'06 @ \$250,000)	\$250,000 (capital)	3 <sup>rd</sup> Quarter Decision
<b>3b</b>						
	2003-007-00	Ecosystem Monitoring Project	LCREP	\$625,000	\$22,707	3 <sup>rd</sup> Quarter Decision
	1993-060-00	Select Area Fisheries Enhancement	Clatsop County	\$1,800,000	\$7,500	3 <sup>rd</sup> Quarter Decision
<b>3b2</b>						
	1982-013-01	Coded Wire Tag Recovery	PSMFC	\$2,028,757	\$102,359	3 <sup>rd</sup> Quarter Decision
	2001-053-00	Reintroduction of chum salmon into Duncan Creek	WDFW	\$232,776	\$32,000	3 <sup>rd</sup> Quarter Decision
<b>4</b>						
	2007-325-00	UPA Wenatchee Subbasin Complexity Proposal	Chelan County	\$1,050,000	\$0, Scope	3 <sup>rd</sup> Quarter Decision
	1992-068-00	Willamette Basin Wildlife Mitigation	ODFW	\$760,657	\$2,100,000 (capital)	3 <sup>rd</sup> Quarter Decision
	1992-061-00	Albeni Falls Wildlife Mitigation Project	IDFG	\$2,029,297	\$930,356 (capital)	3 <sup>rd</sup> Quarter Decision
<b>5</b>						
	2004-002-00	PNAMP Coordination	USGS	\$50,000	\$37,900	3 <sup>rd</sup> Quarter Decision
	1998-031-00	Implement Wy-Kan-Ush-Mi Wa-Kis	CRITFC	\$210,000	\$0, Scope	Approved, BPA 5-9-07
	1998-010-01	Grande Ronde Basin Spring Chinook Salmon Captive Broodstock Operation and Maintenance	ODFW	\$723,718	\$0, Scope	3 <sup>rd</sup> Quarter Decision
<b>New Project</b>						
	2007-405-00	Rufus Woods Supplementation and Creel Project	CCT	\$0	\$169,797	3 <sup>rd</sup> Quarter Decision
<b>Deferred</b>						
	2003-063-00	Natural Reproductive Success & Demographic Effects of Hatchery-Origin Steelhead in Abernathy Ck., Washington	USFWS	\$0 (NWPPC FY'06 @ \$391,422)	\$464,558	2 <sup>nd</sup> Quarter Decision - Deferred
	2005-007-00	Fulton, Phase 2, Diversion Dam, Chewuch River, Winthrop, WA	BOR	\$0 (NWPPC FY '05 @ \$146,000)	\$96,000	2 <sup>nd</sup> Quarter Decision - Deferred

**Attachment 2: Letter received on June 28, 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

June 28, 2007

In reply refer to:

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

Dear Mr. Grover:

In accordance with the Budget Oversight Group (BOG) process, the BOG recently conducted the Fiscal Year (FY) 2007 third quarterly review of within-year budget and/or scope modification requests. Through this process we are now initiating the 14-day public comment period on these requests. Bonneville Power Administration (BPA) will consider any public comments received by July 11, 2007, before developing our tentative decisions which will be discussed at the August Northwest Power and Conservation Council (Council) Meeting. BPA has provided a synopsis of all requests below.

The BOG process incorporates the following criteria to categorize the project requests:

**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. **Endangered Species Act (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 (ISRP), 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; or
  - b. Jeopardize the performance of a discrete task or objective of the project causing:
    - i. Adverse biological consequences to the project; or
    - ii. 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

### Category 1

*Project No.* [1989-035-00](#)

**Project Name:** Umatilla Hatchery

**Budget Amount:** \$23,012

**Funding Category:** Expense

**Contractor:** Oregon Department of Fish and Wildlife

The Oregon Department of Fish and Wildlife has requested funds to repair of one of the hatchery's main water supply lines. Work to be performed is to: 1) fabricate and install reinforcement sleeve for main hatchery supply line; 2) fabricate and install flanges for six incoming supply lines and one outgoing water supply line; 3) fusion weld new six-inch poly pipe section at void; 4) charge system and check for leaks; and 5) re-bed all piping and restore excavated areas to original slope.

Because of the emergency component to the request, BPA has authorized expenditures on April 16, 2007, for this work to be done.

**Category 2****Project No.** [2005-012-00](#)**Project Name:** Modifications at Oxbow Fish Hatchery for Redfish Lake Sockeye Smolt Program**Budget Amount:** \$250,000**Funding Category:** Capital**Contractor:** Oregon Department of Fish and Wildlife

The Oregon Department of Fish and Wildlife has requested to secure funds to complete phase two of the project. This BPA-funded project was developed in response to the current Federal Columbia River Power System (FCRPS) Biological Opinion (BiOp) Updated Proposed Action (UPA) recommendation to increase smolt production for the Redfish Lake Sockeye Salmon Captive Broodstock Program. No funds were requested by the sponsor through the Council's 2007–2009 solicitation process to complete the project. Phase two of the project will direct effort to complete the modification of rearing raceway drain lines and their connection to the abatement pond (\$250,000). The bulk of the work associated with phase two will take place after the beginning of the start of FY 2008 (October 1, 2007).

**Category 3b****Project No.** [2003-007-00](#)**Project Name:** Ecosystem Monitoring Project**Budget Amount:** \$22,707**Funding Category:** Expense**Contractor:** Lower Columbia River Estuary Partnership

The Lower Columbia River Estuary Partnership is seeking funds to formulate a probabilistic sampling design with respect to the hierarchical ecosystem classification system currently being developed under the Ecosystem Monitoring Project. This sampling design will inform habitat and fish monitoring also being performed under the Ecosystem Monitoring Project. Additional funding will be used to formulate the logistics of site selection and allocation, and locating and verifying the integrity of the site with respect to the intended habitat classification strata in the field, which will enable the U.S. Geological Survey to allocate samples with respect to the various hierarchical levels of one hydrogeomorphic reach in the lower Columbia River.

**Project Number:** [1993-060-00](#)**Project Name:** Select Area Fisheries Enhancement**Budget Amount:** \$7,500**Funding Category:** Expense**Contractor:** Clatsop County

Clatsop County is requesting funds for a one-time purchase to replace an all-terrain vehicle (ATV) that is necessary to accomplish the required fish marking prior to release of select area bright fall Chinook into Oregon waters. The existing ATV is unsafe to drive and is too old to repair.

The Select Area Fishery Evaluation (SAFE) Project has provided significant and valuable opportunities for both commercial and recreational fisheries to harvest strong, locally-produced stocks of hatchery salmon in off-channel areas of the Columbia River with minimal impacts to non-local stocks including species listed under the ESA.

**Category 3b2**

**Project Number:** [1982-013-01](#)

**Project Name:** Coded Wire Tag Recovery

**Budget Amount:** \$102,359

**Funding Category:** Expense

**Contractor:** Pacific States Marine Fisheries Commission

The Pacific States Marine Fisheries Commission (PSMFC) is requesting additional funds because they feel the designated funding levels in BPA's 2007–2009 Implementation Decision are inadequate for continuing the current requirements placed on sampling and Coded Wire Tag (CWT) recovery operations conducted by Oregon Department of Fish and Wildlife (ODFW), Washington Department of Fish and Wildlife (WDFW) and PSMFC in the Columbia Basin. They believe program reductions will occur, resulting in:

- Elimination of positions (primarily seasonal data collectors);
- Reduction of sampling rate, resulting in a sampling rate less than 20% and thereby reduce the statistical strength of the data;
- Spawning ground surveys for CWT fish will be reduced; and
- Delivery of CWT data to the regional coded wire tag database (RMIS) will be significantly delayed due to reductions at ODFW's Clackamas tag recovery lab.

**Project Number:** [2001-053-00](#)

**Project Name:** Reintroduction of chum salmon into Duncan Creek

**Budget Amount:** \$32,000

**Funding Category:** Expense

**Contractor:** Pacific States Marine Fisheries Commission

The PSMFC is seeking additional funding because the existing adult trapping structure located in the Duncan Creek Dam channel was lost during flooding in late November 2006. New plans/drawings of a re-designed adult trap will need to be prepared to allow for solicitation of construction bids. This new design proposes to include the ability to completely remove the trapping structure from the channel with an on-site winching system, allowing quick removal in response to high flow events. This new design will likely require site visits and detailed measurements by an engineer. After construction, the trap will need to be transported and installed. The trap will need to be installed no later than November 2, 2007, but could be installed as early as October 29, 2007, in preparation for FY 2008 project work. Activities under this contract occur primarily in November through April of each year. The majority of FY 2007 funds were spent to complete the fieldwork that occurred during this timeframe, including the additional

work necessary to compensate for the loss of the adult trap. Remaining funds are allocated to staff time for field work wrap-up, analysis and report writing; reductions would be inadequate to fund trap replacement.

#### **Category 4**

**Project Number:** [2007-325-00](#)

**Project Name:** UPA Wenatchee Subbasin Complexity Proposal

**Budget Amount:** \$0

**Funding Category:** Expense

**Contractor:** Chelan County Natural Resources Department

The purpose of this proposal from the Chelan County Natural Resources Department is to subtract funds from Project Number 2007-042-00, Wenatchee Passage Program, and add them to Project Number 2007-325-00, UPA Wenatchee Subbasin Complexity Proposal. These funds will pay for additional complexity projects in the Wenatchee subbasin, providing more cost-effective biological benefits than the actions originally proposed for this project. These funds also will pay for the Harrison Side Channel habitat complexity project in the Entiat subbasin.

If the complexity projects cannot be constructed, BPA will not receive metric credit to meet the NOAA Fisheries 2004 BiOp requirements, and the anticipated biological benefit to Upper Columbia spring Chinook and steelhead will not be met. The Chelan County Natural Resources Department and BPA will still achieve the metrics proposed under the Wenatchee Passage proposal.

Chelan County Public Works has agreed to provide the majority of the funds to remove a single culvert that blocks over 30 miles of fish passage habitat. Removal of this single culvert will provide more metrics than the projects proposed under the Wenatchee Passage proposal. BPA will provide the remainder of the funds for this culvert replacement under Project No. 2007-283-00, UPA Wenatchee Subbasin Access Proposal.

**Project Number:** [1992-068-00](#)

**Project Name:** Willamette Basin Wildlife Mitigation

**Budget Amount:** \$2,100,000

**Funding Category:** Capital

**Contractor:** Oregon Department of Fish and Wildlife

Trust for Public Lands has an opportunity to acquire the Zena property and work with a variety of partners to develop a management plan that will balance economics and social benefits with wildlife needs and watershed health. Acquisition of the Zena property would protect one of the largest contiguous blocks of mixed hardwood/conifer forest in the central Willamette Valley from conversion and/or development. It would also provide an opportunity to protect and manage for watershed health and critical habitats for fish and wildlife while continuing to employ some of the ecologically sustainable forest management techniques that have governed the property for



decades. This would provide an excellent conservation forestry model for small woodland owners throughout the Willamette basin.

Located in the Eola Hills in northeastern Polk County, the 1,466-acre Zena property is comprised of oak woodlands, upland prairies, wet meadows, riparian forests, and mixed conifer forests. These landscapes provide habitat for multiple wildlife species as well as various rare, threatened, and endangered plant species, such as Kincaid's lupine, Nelson's checkermallow, and Willamette Valley daisy. The headwaters for the Rickreall, Yamhill, and Spring Valley watersheds are all located on the Zena property. The Rickreall and Yamhill Watersheds contain coastal cutthroat, Pacific lamprey, and federally-threatened Upper Willamette steelhead.

**Project Number:** [1992-061-00](#)

**Project Name:** Albeni Falls Wildlife Mitigation Project

**Budget Amount:** \$930,356

**Funding Category:** Capital

**Contractor:** Idaho Department of Fish and Wildlife

The Idaho Department of Fish and Wildlife (IDFG) has exhausted their soft cap allocation within the Albeni Falls Wildlife Mitigation Project and are, therefore, seeking additional funds for the fee-title acquisition of about 238 acres in two phases from the Ginter family in Bonner County, Idaho. BPA has offered to preschedule FY 2008 funds to accommodate this request; however, project sponsors are unwilling to pursue this avenue for acquiring this property. If denied additional dollars, IDFG will wait to purchase this property in FY 2008.

### Category 5

**Project Number:** [2004-002-00](#)

**Project Name:** PNAMP Coordination

**Budget Amount:** \$37,900

**Funding Category:** Expense

**Contractor:** U.S. Geological Survey

Additional technical staff is needed to assist with Pacific Northwest Aquatic Monitoring Partnership (PNAMP) Coordination objectives:

- Serve as the lead staff, liaison, and point of contact for PNAMP;
- Support coordination of PNAMP efforts to integrate resource monitoring programs of state, federal, tribal, local, and private organizations in the Pacific Northwest;
- Facilitate the transfer of information within PNAMP and across relevant organizations, establish and maintain strong relationships between science and management, and promote and facilitate communication among organizations and disciplines;
- Facilitate forums among technical experts and between scientists, managers, and liaison groups for the collective evaluation and interpretation of current and new knowledge regarding issues in need of management or research attention;

- Serve as a clearinghouse for PNAMP activities and products. Initiate and facilitate the development, presentation, and distribution of products aimed as heightening awareness and understanding of PNAMP issues, successes, and problems;
- Ensure completion of administrative requirements of PNAMP activities (e.g., meeting logistical support, record keeping, responsibility for maintenance of membership information), including oversight of clerical assistance as appropriate;
- Provide organizational support to PNAMP by developing and negotiating fiscal support with government and non-government entities, and managing budgets and associated contracts with government and non-government entities; and
- Facilitate the development, implementation, and tracking of PNAMP work plans (statement of work and budget).

**Project Number:** [1998-031-00](#)

**Project Name:** Implement Wy-Kan-Ush-Mi Wa-Kis

**Budget Amount:** \$0

**Funding Category:** Expense

**Contractor:** Columbia River Inter-Tribal Fish Commission

The project is requesting a change in scope. We will be adding work with co-managers to haze sea lions near Bonneville Dam to benefit spring Chinook salmon adults. Geographic scope of hazing is to extend six miles downstream. Project sponsors are not requesting a change in budget, only a change in scope. The decision was made at the BOG Management Group level to take savings from one project Work Element to create a new Work Element associated with sea lion hazing.

**Project Number:** [1998-010-01](#)

**Project Name:** Grande Ronde Basin Spring Chinook Salmon Captive Broodstock Operation and Maintenance

**Budget Amount:** \$0

**Funding Category:** Expense

**Contractor:** Oregon Department of Fish and Wildlife

The ODFW is requesting an increase in budget for FY 2008-2009 to collect and rear two additional brood years of captive broodstock Chinook salmon from the upper Grande Ronde River, as agreed to by the co-management agencies (ODFW, Nez Perce Tribe, and the Confederated Tribes of the Umatilla Indian Reservation). If approved, this will also require an extension of the Captive Broodstock Program for an additional two years to rear the BY 2006 and 2007 salmon to maturation. If this request for a budget increase is not granted, then the project sponsors will be unable to rear any more fish than are already in the program, which could result in harm to the upper Grande Ronde River Chinook salmon population.

### **New Project**

**Project Number:** [2007-405-00](#)

**Project Name:** Rufus Woods Supplementation and Creel Project

**Budget Amount:** \$169,797

**Funding Category:** Expense

**Contractor:** Colville Confederated Tribes

The Colville Confederated Tribes are requesting that ISRP review be initiated for this project and for approval of funds upon favorable ISRP review. This project will provide for stocking triploid rainbow trout, which are part of a popular tribal and non-tribal recreational fishery, located at the Rufus Woods Reservoir. Project sponsors will collect data on physical or biological characteristics, abundance or distribution of the fish populations, origin of stocks, extent and use of the fishery, or economic significance.

**Previous Quarterly Review Requests**

**Project Number:** [2003-063-00](#)

**Project Name:** Natural Reproductive Success and Demographic Effects of Hatchery-Origin Steelhead in Abernathy Creek, Washington

**Budget Amount:** \$464,558

**Funding Category:** Expense

**Contractor:** U.S. Fish and Wildlife Service

After the Council's 2007–2009 solicitation closed, it became evident that one ongoing project, Natural Reproductive Success and Demographic Effects of Hatchery-Origin Steelhead in Abernathy Creek (Project No. 2003-063-00), had not submitted a proposal to the solicitation process. As with any other new proposal, the sponsor was directed to make a request through the BOG and within-year process to consider their proposal for funding.

This project was originally proposed in response to BPA's request for studies to address critical uncertainties under the 2000 BiOp. In January 2007, BPA requested that the Council forward this proposal to the ISRP for scientific review. Thereafter, BPA suggested this proposal then continue to be reviewed via the within-year process for the first quarterly review.

Meanwhile, BPA has provided a short term contract extension with the U.S. Fish and Wildlife Service for this project pending ISRP, Council, and BPA review of the proposal. The ISRP has now returned a review of the project, and BPA will be providing its comments on ISRP review and a recommendation for the third quarterly review.

**Project Number:** [2005-007-00](#)

**Project Name:** Fulton, Phase II, Diversion Dam, Chewuch River, Winthrop, Washington

**Budget Amount:** \$96,000

**Funding Category:** Expense

**Contractor:** U.S. Bureau of Reclamation

The U.S. Bureau of Reclamation (BoR) is not authorized to fund construction itself. This has led to an agreement in which BoR can provide support for planning, design, and/or permitting, and BPA provides funds for construction. The BoR funded the design for Fulton, Phase II, and Diversion Dam. Therefore, because BoR was familiar with the design, BPA contracted with the BoR to provide construction oversight. Construction was scheduled to have been completed by December 31, 2006. Construction took longer than anticipated, and was completed and inspected

March 9, 2007. A generally protracted construction schedule, the complexity of dealing with high water due to inclement weather, and significantly increased subcontractor activity during the last 2.5 months of construction led to increases in both the duration and intensity required for construction oversight.

### Summary

In summary, the total expense funding requested by project sponsors is \$955,833; the total of capital funding requested is \$3,280,356. Please feel free to contact either Greg Dondlinger at 503-230-5065 or me at 503-230-5549 for further information or if you have any questions.

Sincerely,



William C. Maslen  
Director of 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. Brian Lipscomb, Columbia Basin Fish and Wildlife Authority  
Mr. Tom Iverson, Columbia Basin Fish and Wildlife Authority