



**COLUMBIA
BASIN
FISH & WILDLIFE
AUTHORITY**

DRAFT

September 18, 2006

TO: Members Advisory Group

FROM: CBFWA Staff

SUBJECT: Comments on FY 2007-2009 Northwest Power and Conservation Council Draft Project Recommendations

The Northwest Power and Conservation Council (Council) has released for public comment their 2007-2009 project recommendations for implementing the Fish and Wildlife Program. The current recommendations leave unspent approximately \$6 million (Table 1). On August 31, 2006 CBFWA provided a letter to the Council suggesting that the Program would require \$30 million more than the \$153 million currently provided by Bonneville Power Administration (BPA) to fully fund the most essential projects and tasks submitted in the most recent project solicitation.

CBFWA staff will provide suggestions where the CBFWA members may develop collective comments to the Council on the draft recommendations (see attached). Comments are due to Council by October 6, 2006.

Table 1. Summary of Council 2007-2009 Budget Recommendations.

	Planning Target	2007-2009 Annual Average Recommendations	Unspent
Bonneville Program Support	\$ 11,000,000	\$ 11,000,000	
ISRP/ISAB	\$ 1,050,000	\$ 1,050,000	
Placeholder	\$ 2,000,000	undefined	\$ 2,000,000
Province Allocation	\$ 92,894,502	\$ 92,845,281	\$ 49,221
Blue Mountain	\$ 7,127,528	\$ 7,117,164	
Columbia Cascade	\$ 3,001,663	\$ 3,000,666	
Columbia Gorge	\$ 5,312,554	\$ 5,214,550	
Columbia Plateau	\$ 21,748,203	\$ 21,722,717	
Intermountain	\$ 15,248,105	\$ 15,287,226	
Lower Columbia	\$ 2,492,862	\$ 2,541,351	
Estuary	\$ 3,662,490	\$ 3,660,871	
Middle Snake	\$ 3,374,079	\$ 3,374,079	
Mountain Columbia	\$ 12,590,537	\$ 12,590,176	
Mountain Snake	\$ 16,761,459	\$ 16,761,459	
Upper Snake	\$ 1,575,022	\$ 1,575,022	
Mainstem OTG/Multiprovince	\$ 13,411,338	\$ 13,228,374	\$ 182,964
Basinwide (including \$1M innovative placeholder)	\$ 32,644,160	\$ 29,281,415	\$ 3,362,745
Total	\$ 153,000,000	\$ 147,405,070	\$ 5,594,930

Bold language is from 9/15/06 Council's draft recommendations linked at <http://www.nwcouncil.org/fw/budget/2007/draftrec/>

- Bullets are comments by CBFWA staff

DRAFT September 15, 2006 Council Decision Memorandum:

Section 1: Legal Framework, FY07-09 Review Process, Bonneville Budget Commitment, and Council Budget Allocation Targets

- The Council violated their own process by changing the budget allocation to the Basinwide category through development of an ESA placeholder. If it was their intent to establish this placeholder, it should have been created at the outset of the solicitation process and it should have been created out of all the province level budgets, not just out of the Basinwide budget. The Council created an unallocated placeholder for \$2 million in this way for an undetermined purpose; maybe that placeholder should be used for ESA. The creation of the placeholder at the end of the process essentially undermined the significant work of the Mainstem Systemwide Review Team and the Independent Science Review Panel, in that project budgets have been reduced based on a financial algorithm with little attention to the work that will be completed. In fact, in many of their specific comments on projects the Council defers to the project sponsors to prioritize their own work by stating "Ask sponsor to confirm during comment period what work can be completed at this budget level." The CBFWA members question whether the projects that eventually get funded resemble the proposals that the ISRP reviewed.
- The CBFWA provided comment on August 31, 2006 that the level of funding was inadequate to fund essential projects.... Subbasin plan implementation....The Council's draft project funding recommendation is not consistent with CBFWA's analysis.
- The Council has not identified how the current project recommendations meet the 70:15:15 allocations between anadromous fish, resident fish, and wildlife projects. The Council should provide this analysis with their final recommendations.

Section 2: Project Recommendations and Project-Specific Issues

Provinces

Mountain Columbia

Intermountain

- Kokanee production – Council recommends the project sponsors hold a review workshop with the ISRP. Should CBFWA engage in this effort to provide regional support?

Columbia Cascade

Upper Snake

Middle Snake

Mountain Snake

Blue Mountain

Columbia Plateau

Columbia Gorge

Lower Columbia

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Estuary

- The Council is recommending not funding a NOAA research project (200301000, Historic Habitat Opportunities and Food-Web Linkages of Juvenile Salmon...) which was rated as a Core Program project in the Basinwide review by the MSRT, but was not provided funding in the Basinwide category (because it was the number one project in the Estuary Province and expected to be funded out of that budget category). Should CBFWA recommend funding this project out of the unallocated placeholder?

Basinwide research, monitoring and evaluation, and coordination projects

1. Basinwide projects reserve.

- See comments under Section 1.
- The Council did not specifically dedicate this reserve to any one or more purposes. A portion of the unallocated balance will be available for the Council to make final project funding recommendations for fish passage science and analysis. Other portions may be needed to finalize funding. It is also not clear how this placeholder relates to the \$2 million placeholder the Council identified at the start of the process.
- ESA reserves were not mandated in any other province, although it is likely that ESA needs will be identified within particular provinces. This reserve may serve as a mechanism for redistributing funds from the Basinwide funding category to other provinces, against the initial agreed upon funding allocations identified in the project solicitation announcement.

2. Data Management.

- The MSRT used as a base for their discussions the Council's Research Plan and the Council's M&E Guidance document, both of which had been through regional review and comment. The MSRT also relied heavily on the existing Council Program and 2003 Mainstem Amendments. This effort was designed to best implement the Council's program within the available funding and with general approval by all interested parties.
- Most of mainstem and systemwide projects are not focused on biological outcomes, per se, but are focused on obtaining information to support better regional decision making. These projects are essential for establishing an adaptive management framework which allows us to learn and improve implementation of the Program.
- The StreamNet project is at the heart of the adaptive management framework. CBFWA is facilitating a workshop this month to reprioritize the data needs managed by this project in order to directly support regional decision making. The MSRT identified that this project will become more important in the future as the region better clarifies its information needs. StreamNet is essentially level funded in the draft recommendation.
- The IBIS project provides subbasin scale habitat information that will be important for the next round of subbasin planning. This is data that cannot be developed and captured at a moment in time, but must be developed and reviewed over the course of several years in order to be ready when the Council decides to revisit their subbasin plans. The MSRT identified the importance of this project and adjusted its budget appropriately for

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implementation. The draft recommendation significantly reduces this project's budget (\$440k by MSRT, \$158k NPCC).

3. Monitoring and Evaluation.

- CSS/PIT tagging spring and summer Chinook (199602000) has been significantly reduced from the MSRT recommendation (reduced by \$600k) and from their FY 2006 funding level (\$60k less).
- Integrated Status and Effectiveness Monitoring (ISEMP, 200301700) project has been reduced to \$1 million less than their 2006 funding level. The MSRT recommendation was slightly higher than the 2006 funding level.
- The monitoring and evaluation projects will require additional funding to support a programmatic adaptive management process. The size and scope of these projects will likely be determined through future workshops addressing specific needs (e.g., development of biological objectives for the Program).

4. Tagging projects.

- CBFWA could offer to provide workshops to evaluate the tagging projects.

5. Coordination – agencies and tribes/CBFWA.

- The current draft recommendation fully funds the Kalispel and Spokane tribes coordination projects at \$90k. The CBFWA budget has a corresponding reduction of \$180k per year. The Council has not determined what part of the CBFWA budget should be reduced by \$180k or what tasks are no longer priorities. This recommendation is inconsistent with the MSRT's efforts at transparency and equity among the participating fish and wildlife managers participation in regional activities.
- No clear process has been determined to comply with the language in the draft recommendations for the staff to develop recommended tasks and deliverables for the October meeting.

6. Fish passage functions.

- The MSRT relied heavily on the existing Council Program and 2003 Mainstem Amendments for their evaluation of fish passage projects. This effort was designed to best implement the Council's program within the available funding and with general approval by all interested parties. Will CBFWA comment in support of their proposal for these functions?

7. Delayed mortality study (200304100).

- The MSRT essentially determined that this project should be fully funded or not at all. The Council has reduced their budget \$350k from the MSRT recommendation.

8. Snake River fall Chinook salmon life history investigations (200203200).

- The draft recommendation is \$250k higher than the MSRT.

9. Ocean research.

- The Council proposes to fund the two tracking projects.

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10. Bull trout projects.

- The Council proposes to not fund any bull trout projects in the basinwide category (199405400, 200714600, and 200703300). Should CBFWA comment?

11. Lamprey.

- The Council proposes to fund only a small portion of the coordinated lamprey project. Most lamprey projects are not recommended for funding in the provinces. This recommendation is inconsistent with the message from the last two lamprey summits.

12. Develop progeny marker for salmonids (200203000).

13. Columbia Basin Bulletin.

- The Council recommends funding the Bulletin.

14. Two new projects added to the MSRT recommendation: shad impact study (200727500); evaluation of live capture/selective fishing gear (200724900).

16. Innovative project placeholder.

- There are sufficient innovative ideas within the new and ongoing work proposed in this budget category (and throughout the Council's program). At this time, with limited funding and significant unfunded essential projects and tasks, it is inappropriate to withhold funding for another project solicitation process. CBFWA could identify \$1 million of innovative work within the current submitted projects. It is not clear how the innovative placeholder is tied to the \$2 million placeholder that Council identified in their original project solicitation documents.

17. Kelt reconditioning project m&e (200306200).

18. Gas bubble monitoring (199602100).

- Project budget is reduced by \$6k (25%).

Mainstem on-the-ground/multi-province projects

- White Sturgeon project (198605000) was reduced by nearly \$300k per year from the MSRT recommendation with no specific guidance to the project sponsor on what work should be eliminated.
- NOAA Hatchery Research (199305600) was reduced by nearly \$500k per year without specific guidance on which tasks to remove. The project was asked to provide a list of work that can be accomplished at this spending level.
- Water Entity (200201301) was funded based on past scope, not on past spending, contrary to every other project in the Basinwide and Mainstem on-the-ground categories. This project has never fully spent their budget.

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Unallocated placeholder

- The Council identified a \$2 million placeholder for undefined purposes at the start of the project solicitation process. How does this placeholder relate to the ESA placeholder and the Innovative placeholder that the Council identifies in their draft recommendations? How many more project solicitations does the Council foresee to fully expend the \$153 million budget?

Amount unspent in FY2003-06 available in FY2007-09

- The current estimate for funding that could roll-over from the 2002-2006 Rate Case to the 2007-2009 Rate Case is anywhere from \$0-\$10 million. BPA recently changed their accounting practices and it appears that this may over estimate the amount they project they will spend for FY 2006. The fiscal year ends on September 30 and we should have a good estimate on available funds within two weeks of the next fiscal year.

Section 3: Programmatic and Broad Policy Issues

1. Integration of projects implementing the FCRPS Biological Opinions

Does CBFWA support creating an ESA placeholder for implementation of actions identified in the 2007 NOAA Biological Opinion (on Remand)?

Yes – The CBFWA supports the Council's intentions of providing an ESA placeholder to support the 2007 NOAA Biological Opinion (on Remand). The process for selecting projects to be funded within that placeholder should be transparent and competitive.

No - The CBFWA agrees with the language in the Councils decision document and therefore supports not providing an ESA placeholder within the FY 2007-2009 project recommendations. If additional funds are necessary to implement the 2007 Biological Opinion (on Remand), then BPA and the action agencies should provide additional funding for those activities. There are currently essential projects and tasks that would not be funded in order to create this placeholder and the CBFWA members believe that funding the current base priorities is more important than cutting know projects to fund yet unidentified projects that may be developed in the next few months.

2. Monitoring and Evaluation

3. Data management

- Current workshop will shape and size regional data management for the next three years. Council needs to prepare to fund it at a level that support adaptive management for the program.

4. Coordination funding

5. In lieu provision

6. Use of Bonneville's capital borrowing authority

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7. Step review

8. Water conservation projects

9. Funding for operations and maintenance

- CBFWA could help with this.

10. Within-year program tracking and adjustment process during FY07-09

11. Future project selection

[12. ISRP programmatic comments not otherwise picked up]

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