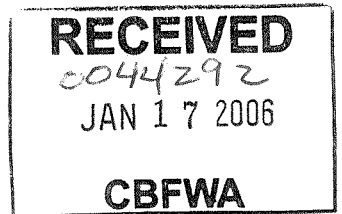


-----Original Message-----

From: Thatcher, David B - KEWB [mailto:dbthatcher@bpa.gov]

Sent: Friday, January 13, 2006 10:51 AM

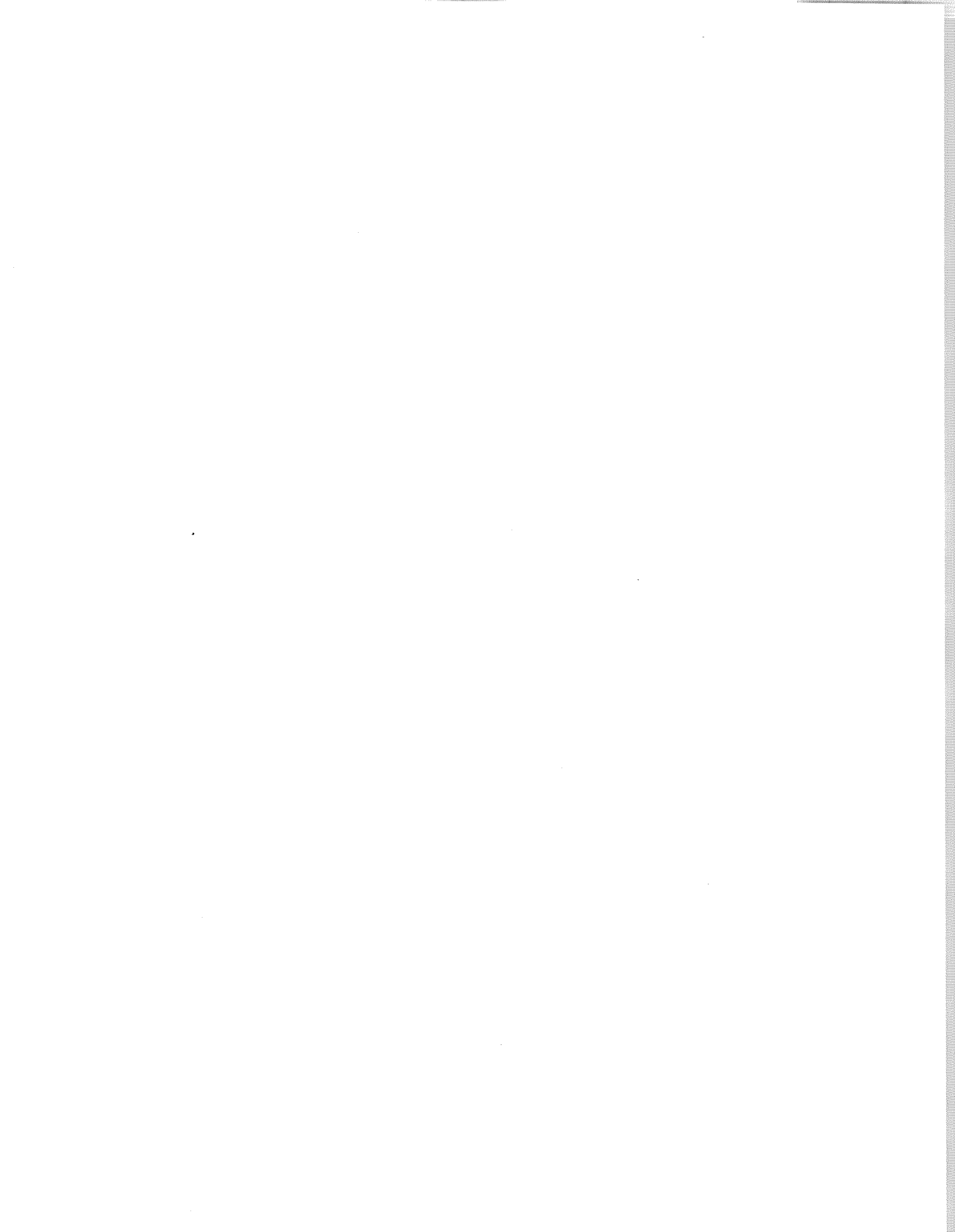
Subject: Budget Modification Requests



The first quarter within year budget modification requests have been posted to the CBFWA website for comment. BPA will also present the draft list to the council fish four committee at the January meeting for comment.

After a 30-day comment period, BPA will formally submit a list of recommended within year requests to the council for concurrence at the February council meeting.

Please provide comments regarding these budget adjustment requests directly to the project comments field on the CBFWA website.



Melinda S. Eden
Chair
Oregon

Joan M. Dukes
Oregon

Frank L. Cassidy Jr.
"Larry"
Washington

Tom Karier
Washington



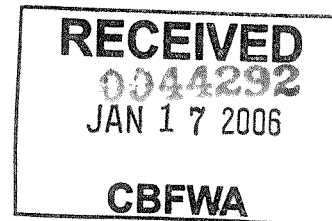
Jim Kempton
Vice-Chair
Idaho

Judi Danielson
Idaho

Bruce A. Measure
Montana

Rhonda Whiting
Montana

January 10, 2006



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 17, 2006 the Council staff will review the Budget Oversight Group (BOG) process and the anticipated schedule and timeframe associated with the modification requests for the first quarter of Fiscal Year 2006.

This agenda item will be for review and discussion only and no Committee action is requested.

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 were also forwarded to Bonneville for recommendation on the availability of funds as identified at the second and third quarterly review.

The BOG would use the second (January) and third (April) quarterly review meetings of the fiscal year to initiate a prioritization process to establish which budget adjustment requests will be met with the available funding in the Spending Reserve (to support within year budget modification requests). This process will include a 30 day public comment period.

On January 10, 2006 the Council received a letter from Bonneville regarding the funding within-year requests considered during the first quarterly review (see attachment 1).

ANALYSIS:

Council staff is anticipating reviewing the requests that are addressed in the letter received from Bonneville. 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. When the modification process was developed it was attempted to pool the requests to the second and third quarterly reviews for a fiscal year. These two quarters were chosen so that the requests could be implemented in a time sequence that would ensure implementation in that particular fiscal year.

The requests are categorized by category (1 - 5) per the BOG review, and you will note that certain requests are presented as emergencies of the type the Council has approved in the past and some are requests that may need to be reviewed in reference to past recommendations and possible implications to the Fiscal Year 2007 - 2009 project solicitation process.

In addition, a letter has been received from Columbia Basin Fish and Wildlife Authority regarding an analysis they completed on the spending reserve to address the within-year modifications (see attachment 2).

Attachment 1: Letter received on January 10, 2006 from Bonneville regarding within-year budget 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 6, 2005

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 06. 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 the funding of these requests. BPA will consider the 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. Currently, BPA does not believe that funding will be a limiting factor for funding within-year requests considered during the first quarterly review.

While BPA believes sufficient funds are available to allow these requests to move forward, BPA is concerned about the technical merit and management priority for each request. 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 30 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

Priority

Emergency

1

Acts of God or the unforeseen loss of mechanical infrastructure that necessitates an extraordinary action to avoid the imminent loss of fish or wildlife resources; imminent threat to human health or safety.

ESA Commitment of BPA **2**

A new or ongoing project that directly implements actions committed to in the November 24, 2004 Updated Proposed Action and were evaluated in a revised BiOp on the FCRPS issued by NOAA Fisheries on November 30, 2004 pursuant to section 7 of the ESA. Except in extraordinary circumstances, such new actions require review by the Independent Scientific Review Panel and Council recommendation prior to BPA approval.

Project Integrity **3**

Actions necessary for the project, though not of an emergency nature, and including major project review (i.e., step review), to avoid the loss of a previous investment; that, if not taken, 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. loss of critical monitoring and evaluation data;
 3. loss of capability to administer the project.

Lost Opportunity **4**

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 project or work element is not implemented.

Other **5**

Any project not falling into the four categories defined above.

Projects on the current CBFWA website requesting within-year budget adjustments were placed into the above categories by the BOG members. That process is reflected in the following list of projects, with the exception of requests in category 2, which were funded through a place-holder in the FY 06 budget. For additional project-specific information, please review the Columbia Basin Fish and Wildlife Authority (CBFWA) website for Within-Year Budget Adjustments (<http://www.cbfwa.org/mods/components/forms/Login.cfm>).

Project Funding Requests – BPA Recommended

Category 1

Project No. 1991-046-00

Project Name: Spokane Tribal Hatchery O&M

Budget Amount Requested: \$125,000

Funding Category: Expense

Sponsor requested \$153,000 for the following:

- New fish screens and damn boards are needed for 44 fish rearing raceways. The ones currently in use are 15 years old and need replaced immediately. Problems associated with them include fish being able to escape, adverse water level fluctuations, transfer of fish pathogens and inability to

approximate appropriate fish inventory numbers at any given time. Completion Schedule - March 2006.

- New fish transport truck. The existing one is 15 years old and has ongoing maintenance problems and safety issues. Completion Schedule - December 2006.
- This project has recently been mandated to 100% fin clip mark all juvenile fish before release including 500,000 rainbow trout and 650,000 kokanee salmon. Completion Schedule - November 2006.
- A poorly constructed sewage system has increasing problems of blocking and plugging up. The septic tank for the residence has to be dug up and un-plugged 3-4 times a year due to inadequate leveling. The blocking problem in the drain field cause vulgar ordors in the surrounding area. Completion Schedule - June 2006.
- Maintenance funds have never been appropriated for the hatchery residence. Flooring needs replaced, floorboards in the bathrooms have been water damaged by sewage drain backflow. Exterior painting is needed, there are no rain gutters and appliances are barely functional. Completion Schedule - June 2006.

BOG and BPA consider \$125,000 to be in category 1 for the septic maintenance and fish transport truck which constitute health and safety concerns.

Remaining funds are categorized in 3b3 below.

Category 3a

Project No. 1983-319-00

Project Name: New Marking and Monitoring Techniques for Fish

Budget Amount: \$119,235

Funding Category: Expense

Sponsor requested funding for completion of antenna fabrication and testing. In 2004, the U.S. Army Corps of Engineers (Corps) completed a surface flow bypass system that passes juvenile salmonids via the entrance of the old ice and trash sluiceway at the Second Powerhouse at Bonneville Dam. This corner-collector bypass system is attracting large numbers of the migrating salmonids; however it does not currently include a PIT-tag detection system. Consequently, critical PIT-tag data required for research, monitoring, and evaluation efforts are not being collected. For example, data collected at Bonneville Dam are critical for making estimates of reach survivals for juvenile salmonids and for helping to assess progress toward hydrosystem performance standards. A BPA contractor, Digital Angel Corp. (DA), has basically completed the design of a PIT-tag detection system. They have developed a new tag, new transceiver, and a new antenna system for the project. None of the testing during the development of the antenna and transceiver systems has been conducted in the corner collector. Since every installation site is unique and nothing is known about this site in terms of fish behavior, NMFS will conduct drone and fish tests to assist DA in finalizing their electronics. Based on the results of each test, DA will make adjustments to their system and conduct more tests. After the tests are completed, a report will be written describing the tests and results. Most of the goals listed in the Final UPA authored by the Action Agencies are aimed toward improving survival of salmonid stocks (both listed and unlisted). PIT-tag data

are critical for determining whether most actions taken, which include installing the corner collector at Bonneville Dam, have indeed improved survival. Having the corner collector operating without a PIT-tag detection system has meant less data being collected at Bonneville Dam - data that are critical to most if not all RM&E models. Even projects not directly involved with modeling rely on PIT-tag data collected at Bonneville Dam. Most of the goals listed in the Final UPA authored by the Action Agencies are aimed toward improving survival of salmonid stocks (both listed and unlisted). PIT-tag data are critical for determining whether most actions taken, which include installing the corner collector at Bonneville Dam, have indeed improved survival. Having the corner collector operating without a PIT-tag detection system has meant less data being collected at Bonneville Dam - data that are critical to most if not all RM&E models. Even projects not directly involved with modeling rely on PIT-tag data collected at Bonneville Dam.

Project No. 1991-049-00

Project Name: Kootenai River Resident Fish A - Ecosystem Improvements

Budget Amount: Scope Change Only

Funding Category: Expense

The purpose of this submittal is to clarify and describe the scope of Objectives 8 and 9 in Project 199404900 (Kootenai River Resident Fish A) that have been implemented since 2003 (approved in 2002 in the Mountain Columbia Provincial Rolling Review). These 2 objectives constitute the Canadian portion of the larger scale ecosystem project and include the the implementation of nutrient addition and monitoring in Kootenay and Arrow Lakes. A BPA manager has requested that we work with the BOG to be sure that the scope of the 2 objectives that address the implementation of the Canadian nutrient enhancement and monitoring is understood and agreed upon by the BOG. The cause for the BPA manager's concern lies in the fact that the 2002 proposal objectives did not specifically outline the Canadian monitoring activities. When the proposal was written, the Canadian objectives (8 and 9) were incorporated into our proposal based on a previous proposal that was written and submitted by the Ministry in the 2000 BPA proposal solicitation. The objectives were for fertilizer purchase to mitigate for Libby Dam effects on Kootenay and Arrow Lakes. As project sponsors, we believe that inherent in the purchase and application of fertilizer is the monitoring component of the fertilization enhancement program. After approval in 2002, we met with BC scientists and prepared a work plan to guide the fertilization program (see attachment).

The South Arm Kootenay Lake fertilization program could not be implemented with a reduction in scope because the fertilization and associated monitoring go hand in hand and Canadian regulatory agencies would not permit the activity without the associated monitoring components. This would cause a loss of investment for the past several years of implementation and could set back our trans-boundary resident fish restoration several years. The Arrow Lakes fertilization program was implemented in 1999 with funding by BC Hydro. The funding from BPA was proposed for Arrow as mitigation for the Libby-Arrow water swap for salmon that can provide benefits to Libby reservoir but can negatively impact productivity in the Arrow Lakes reservoirs. Arrow Lakes nutrient concentration monitoring activities that have taken place through this project have provided data to further refine the timing, magnitude and geographical spread of nutrient additions. Without this data (discrete sampling as opposed to composite), the project could produce the wrong type of phytoplankton (blue-green algae), negatively impacting the goal of the program. Decreasing the current scope of the 2 objectives for Canadian implementation of fertilization and monitoring of South Arm Kootenay Lake and monitoring of Arrow Lake fertilization could compromise the over-all project objectives.

Project No. 1997-051-00

Project Name: Yakima Side Channels
Budget Amount Requested: \$1,378,000
Funding Category: Expense

Acquire two critical habitat properties for anadromous fish rearing, spawning, and foraging in priority reach areas. Landowners are willing sellers. Yakima Subbasin Plan support: Work with cooperating landowners, tribes, and public agencies through purchase, easement, and land use agreements to protect intact floodplain habitats and to secure lands for restoration. Demand for limited Kittitas County real estate has resulted in an exponential increase in land values. Contract rezones and subdivision activities are in full swing. Deferral of this request will result in lost opportunities, limiting future habitat protection efforts. There is a \$528,985 cash cost share from Salmon Recovery Funding Board.

Project No. 2002-045-00

Project Name: Coeur D'Alene Fish Habitat Acquisition
Budget Amount Requested: \$500,000
Funding Category: Expense

Purchase a conservation easement on approximately 100 acres of habitats prioritized for the protection and restoration of west slope cutthroat trout. \$50K for pre-acquisition plus \$450K for easement. Ongoing approved project that cannot be funded from capital funds. Sponsor proposes to purchase conservation easements along streams within parcels owned by Potlatch Corporation. The stream habitats that are targeted are identified as high priority by the Coeur d'Alene Tribe's Fisheries Enhancement Project (#1990-044-00). However, the Fisheries Enhancement Project does not have an agreement with Potlatch Corporation to protect habitats that currently provide benefits to resident fish or restore degraded priority habitats within Potlatch ownership. Potlatch is unwilling to agree to the type of landowner agreement that the Fisheries Enhancement Project has used in the passed because Potlatch would sacrifice harvest rights in that type of agreement without receiving compensation.

Category 3b2

Project No. 1982-013-01

Project Name: Coded Wire Tag Recovery
Budget Amount: \$39,720
Funding Category: Expense

The CWT Recovery Program involves recovery of Coded-Wire Tags (CWTs) from landed salmonids (primarily chinook and coho) as the stocks pass through the coastal and Columbia River fisheries on their way to their respective spawning grounds. By coastwide agreement, sampling programs have a goal of sampling a minimum of 20% of the landings to recover CWTs. ODFW has aggressively implemented cost saving measures to cope with the level funding in the last several years. Even so, the CWT Recovery program has reached the point of serious difficulties in meeting the minimum 20% sampling goal, and particularly for sport fisheries and spawning grounds in the Columbia River tributaries. The stark reality is that continued level funding no longer supports the scope and range of work elements approved for this project. Budget limitations since 2000, coupled the combined effects of inflation, increased run sizes, and intensive management needs, have forced reductions in both sampling rates and sampling coverage. Soaring fuel costs in 2004 and 2005 have also greatly added to the funding shortfall given substantial travel is required to sample the sport and commercial fisheries in the lower Columbia Basin and on the Oregon coast. As a particularly striking example, ODFW's Clackamas Tab Lab budget for 2006 has been

squeezed to the point that only \$8.20 is budgeted for all of its Maintenance and Operations. There are simply no funds for equipment maintenance (e.g. freezer storage units) or even basic supplies. Likewise, they must now impose on the good will of others to transport the sampled heads from the coast whenever possible. Finally, ODFW's tag lab continues to have a huge backlog of unprocessed heads simply because the funds aren't available to hire the additional staff needed to process heads at the rate required. If the migrating salmonid populations aren't adequately sampled for CWTs in the various fisheries, that opportunity for additional stock identification data is simply lost and the resultant sampling data will have wider confidence limits as well as potential biases.

Project No. 2001-055-00

Project Name: Assessment of Three Alternative Methods of Nutrient Enhancement

Budget Amount Requested: \$113,750

Funding Category: Expense

The experimental component of the project was not completed due to permitting constraints. Due to permitting issues, this project which was intended to take place over 2.5 years has extended one additional year. Project completion will provide the region with valuable monitoring dataset, but to do so the invertebrate samples must be processed. The experimental component provides the critical link to understanding how salmon nutrients affect stream productivity using baseline data collected across 18 streams that vary in the number of adult returns. With the baseline data, evaluation of how stream productivity (measured by invertebrate biomass, algal biomass, chemistry, and various fish metrics) affects conditions for juvenile fishes can proceed. funds will be used to process macro invertebrate samples collected in 2003 and 2004. Time demands for acquiring permits forced us to put the processing of these valuable samples on hold.

Project No. 2003-022-00

Project Name: M&E Okanogan Basin Natural Production

Budget Amount Requested: \$174,086

Funding Category: Expense

This project is designed to provide baseline, status, and trend monitoring data for the Okanogan River. However, budget limitations have required the elimination of certain indicators, most notably those related to nutrient cycling and macro invertebrate populations. A major objective is to collect and process baseline water quality data for nitrogen and phosphorus indicators. Funds requested will provide for collection and processing of macro-invertebrate samples for all EMAP sites monitored in 2005 and 2006. If funding is not secured through this process, these data will remain unavailable to fishery managers, salmon recovery planners, NPCC, BPA, NOAA fisheries, and the Colville Tribes. Budget limitations have precluded these data from being collected to date. We are attempting to provide data that will be rolled-up to larger scales such as the entire Columbia River basin and we can not stay completely compatible with these efforts if these data are not collected.

Category 3b3

Project No. 1988-053-04

Project Name: Hood River Production Program – ODF&W M&E

Budget Amount: \$71,219

Funding Category: Expense

The FY 2006 budget first submitted to the NPCC included dollars for operating five downstream migrant screw traps. Subsequently, level funding combined with significant cost of living increases meant that the program could not maintain a static funding level without eliminating/reducing personnel months associated with several seasonal positions. This action required a reduction in the scope of work planned for FY 2006. Instead of five downstream migrant traps, the program is currently planning to operate and maintain only two downstream migrant traps.

Reduction in the scope of work will have a significant impact on the regional data (i.e., in the mainstem Columbia River) gathering efforts associated with this project, as well as subbasin specific data gathering efforts associated with evaluating the Hood River Production Program (HRPP). The primary problem pertains to overall sample size. The project proposes PIT tagging wild steelhead smolts to provide data that will be used in estimating 1) wild steelhead smolt migration timing past Bonneville Dam, 2) adult wild winter steelhead escapements to Bonneville Dam, 3) the exploitation rate on runs of adult wild winter steelhead migrating through the Bonneville Pool, and 4) migration timing of adult steelhead through spring fisheries below Bonneville Dam. The initial proposal included PIT tagging steelhead smolts at migrant traps operated in all major forks and selected tributaries of the Hood River subbasin. Reduction in personnel months required trapping limited to the mainstem Hood River and one major fork of the Hood River (i.e., Middle Fork). The inability to trap at the other sampling sites may reduce sample size such that it will be difficult or impossible to accurately estimate the previously stated parameters. Additionally, the project is trying to implement a technique whereby the race of wild adult steelhead collected for hatchery broodstock can be more accurately determined prior spawning. Data collected on this study indicates that indigenous populations of summer and winter steelhead are spatially segregated among the three major forks of the Hood River subbasin. The initial proposal provided funding to PIT tag wild steelhead smolts in all three major forks of the Hood River subbasin so that the fork of origin on PIT tagged wild adult steelhead escaping to Powerdale Dam could be identified. Wild summer and winter steelhead could then be collected for hatchery broodstock from known populations of summer and winter steelhead, rather than being assigned to either the summer or winter steelhead broodstock based entirely on a subjective evaluation of external appearance and condition. The current proposal eliminates all PIT tagging in areas where only summer steelhead are known to spawn (i.e., in the West Fork and Lake Branch) and would significantly reduce PIT tagging in areas where only winter steelhead are known to spawn (i.e., the East Fork trap would not be operated).

In addition to providing the capacity to PIT tag wild summer and winter steelhead, the downstream migrant traps have historically been used to 1) estimate subbasin smolt production in each of the major forks and selected tributaries of the Hood River subbasin, 2) estimate subbasin steelhead smolt production from the Hood River subbasin, and 3) collect juvenile tissue samples to provide a genetic based methodology for determining race of steelhead destined for hatchery broodstock. Funding in FY 2006 currently constrains the project to estimating the number of smolts migrating past traps located in the mainstem Hood River and in the Middle Fork of the Hood River; along with the collection of tissue samples at each site (i.e., for genetics analysis). Loss of funding required to operate and maintain the full complement of downstream migrant traps will significantly impact the project's ability to 1) effectively evaluate the HRPP relative to its biological fish objectives and 2) implement the hatchery supplementation component of the HRPP in a biologically sound manner.

Project No. 1989-062-01

Project Name: Fish and Wildlife Program Implementation

Budget Amount: \$177,223

Funding Category: Expense

Due to the increasing demand and reliance on CBFWA's website and technical support staff as a core support mechanism for the Fish and Wildlife Program, this proposal supports the addition of an information technology staff person to assist in maintaining our website and databases.

Also, as the framework for an annual Status of the Resource Report is created, it is becoming clear that a web based model of the report will be required to best serve the region. As this report is developed, and the databases are created to support the report, demands on our website and support staff will increase. We are proposing a professional contract with a communications specialist to improve our service to the region.

Our information technology staff and coordinators have been stretched to their limit to meet the multiple demands over the past year (development of the proposal form for the FY 07-09 project selection process, developing and maintaining the Budget Tracking website, maintaining the rolling province review web pages, etc.). Also, as technology drives the structure of meetings and information transfer, our staff is struggling to learn and implement modern support tools to make our meetings more effective and efficient (web based electronic flip chart, distribution and access to meeting notes and agendas, web based conference lines, etc.). If additional technical support is not acquired, the quality of work products will deteriorate and CBFWA staff's flexibility and responsiveness to the ever changing needs of the NPCC and BPA will be reduced.

Project No. 1989-098-02

Project Name: ID Supplementation Studies

Budget Amount: \$70,784

Funding Category: Expense

The NPT is requesting additional funds to hire the personnel necessary to accomplish tasks with associated field supplies and per diem. Without the necessary personnel, snorkel projects in streams will not be completed (impacts annual data for entire ISS database); project will not have personnel to PIT tag juveniles and collect juvenile DNA samples from two treatment streams in the ISS project; and project will not have personnel to conduct intensive carcass surveys to monitor pre-spawning mortality and to collect sample sizes large enough to satisfy statistical requirements for DNA analyses. Deficiencies cause data gaps in the total ISS database.

Project No. 1990-005-00

Project Name: Umatilla Hatchery M&E

Budget Amount: \$9,536

Funding Category: Expense

Project has experienced level funding for several years. This has been offset by reductions in several areas of the M&E project, including the elimination of a second creel clerk and vehicle, reduction in number of spring Chinook coded-wire-tagged from 120,000 to 60,000 and reduction in tagging supervisor hours, elimination of two weeks of statistician time, and a reduction in time for coded-wire-tag decoding in Clackamas. These reductions are the maximum that can be absorbed without dropping one or more of our monitoring and evaluation tasks. Further cuts still need to be found in order to stay within budget. One area that can't absorb any budget cutbacks is the fish health monitoring portion of the project. Currently, the fish health monitoring activities associated with the Umatilla Hatchery program are the minimum necessary to meet State of Oregon and IHOT standards. Reductions in the fish health scope of work would not only violate state and industry requirements, it would also jeopardize the health of natural and hatchery salmonids in the Umatilla/Columbia region.

Project No. 1991-046-00

Project Name: Spokane Tribal Hatchery O&M

Budget Amount: \$28,000

Funding Category: Expense

These funds are those remaining after the category 1 needs are addressed (see category 1 above). Funds provide for fish marking, facility maintenance and replacement fish screens. Failure to provide adequate funding will not allow for effective monitoring and evaluation which is essential to effectively meet the mitigation goals that this project is responsible for and plan for future mitigation. Failure to adequately fund maintenance will cause further deterioration of this facility and set the stage for more costly repairs in the future. Failure to provide fish screens will compromise effective segregation and containment of fish.

Project No. 1995-001-00

Project Name: Kalispel Resident Fish Project

Budget Amount: \$29,392

Funding Category: Expense

The Kalispel Tribe is running into a serious situation in implementing this project. The Tribe's indirect rate is increasing by 4% over last year and has increased over 9% the last five years. The fringe benefits have increase over 100% the last 5 years as well. Funding level for this project has remained level for 4 years, and this increase will cover these expenses. There are two contracts that come out of this project - a habitat improvement project and the operations and maintenance of a hatchery.

Project No. 2001-029-00

Project Name: Ford Hatchery O&M

Budget Amount: \$16,933

Funding Category: Expense

The project sponsor indicates that with the current level of funding that they would only be able to rear and release about 50% of the fish planned for mitigation (e.g., 350,000 at fish at 60 fpp instead of the 700,000 fish at 60 fpp. The eggs for this project have already been procured. Without additional funding 50% of the fish would either be released early at about 600fpp with an anticipated high mortality rate due to predation or the fish would be euthanized.

Category 4

Project No. 1990-044-00

Project Name: Coeur d'Alene Tribe Habitat Restoration

Budget Amount: \$193,578

Funding Category: Expense

Request is for the design, construction, O&M and M&E of two trout ponds. Due to declining native salmonid fish stocks, particularly westslope cutthroat trout (*Oncorhynchus clarki lewisi*) and bull trout (*Salvelinus confluentus*), the Coeur d' Alene Tribe (CDAT) will continue to provide compensatory tribal subsistence harvest. The subsistence harvest encompasses two existing and three proposed "put and take" Rainbow trout ponds. In addition, a central holding/transfer facility is proposed. The existing trout pond program currently stocks two existing ponds (~200 feet² x 10 feet deep (with five areas 15² at ~15 depths) and one three sided at ~165 feet/side x 12 feet deep) with approximately 1,500 pounds of fish per pond, and expects to construct three new ponds (two similar in size as the 200² and one three sided) in FY04. The proposed central holding/transfer pond facility constructed to hold up to 50,000 pounds of rainbow trout (RBT) for distribution. This facility will provide flexibility and efficiencies for stocking healthy, harvestable fish to the five satellite fishing ponds. The program was developed to partially mitigate for the loss of anadromous fish due to the construction of Chief Joseph and Grand Coulee Dams.

Project No. 1996-011-00

Project Name: Walla Walla Juvenile and Adult Passage Improvements

Budget Amount: \$550,000

Funding Category: Expense

The goal of the project is to provide safe passage for migrating juvenile and adult salmonids in the Wall Walla Basin by constructing and maintaining passage facilities at irrigation diversion dams and canals. The majority of major fish ladder and screen projects have been completed but several remaining projects were identified through subbasin planning. The balance of these efforts is proposed to be completed with funding from this project and other cost share sources. Specific projects proposed for 2006 include implementation of adult and juvenile fish passage improvements at the Hofer diversion and canal in the lower Touchet River. BPA initially funded preliminary designs for the Hofer project and the Walla Walla County CD through a grant provided by the Salmon Recovery Board, continued final design work in 2005. BPA funding will again be needed in 2006 to help cost share construction of this critical fish passage project in the lower Touchet River. Additional plans for 2006 include engineering designs for ditch consolidation and new screening at the Old Lowden and Bergevin-Williams diversions. Not implementing this modification will further delay completion of priority projects identified in subbasin planning. Delayed fish passage projects in mainstem locations would impact the fish benefits that could be gained from other fish resoration project investments in the basin.

Project No. 2006-006-00

Project Name: Regional HEP Team

Budget Amount: \$35,000

Funding Category: Expense

Funding increase is to support staff and travel at adequate levels to meet the increased demands for surveys for this fiscal year. HEP surveys/reports typically are parts of an ongoing (but less than annual) monitoring program for each property. The main deliverable for this contract is an annual HEP report. Under this contract, the HEP team conducts HEP surveys (data collection) and evaluates the results

(estimating Habitat Units - data analysis). Finally the project leader compiles and submits property-specific HEP reports to BPA. The data collection tasks associated with the deliverable for this contract involve extensive travel, and the contractor's ability to travel to sites to collect data has been compromised by increased gas prices, forcing the contractor to reduce the number of sites at which HEP surveys are conducted, should this request be denied.

Category 5

Project No. 2002-51-00

Project Name: Crab Creek Subbasin Plan

Budget Amount: \$16,099

Funding Category: Expense

Funds will be used to update the current Crab Creek Subbasin Plan in order for the plan to be adopted by NWPC. The Crab Creek Subbasin Plan will be used to prioritize projects that lead to the recovery of ESA listed species. ESA listed species within the subbasin include Steelhead, Sharp-tailed Grouse, Sage Grouse, and Pygmy Rabbits.

Project Funding Requests – BPA Not Recommended

Project No. 2000-001-00

Project Name: Omak Creek Fish Passage

Budget Amount: \$145,500

Funding Category: Expense

BPA recognizes that this type of sampling was approved as part of the original proposal to Council. However, it appears that the sponsor underestimated total project costs and chose to drop these activities in the current contracting period, deeming them lower priority than contracted actions. Because we are uncertain of the priority of this baseline sampling effort to effectiveness monitoring during the 2007-09 solicitation process, we are recommending waiting on funding this effort until there is confirmation that these actions are a high priority during the next years of funding. A delay of a year in collecting baseline data (should this get a positive review starting in FY2007) does not appear to hinder the intent of the project.

Summary

In summary, the total of expense funding requested in this letter is \$3,552,055. 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,

William C. Maslen

Director for 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. Rod Sando, Columbia Basin Fish and Wildlife Authority
Mr. Tom Iverson, Columbia Basin Fish and Wildlife Authority
Ms. Amy Langston, Columbia Basin Fish and Wildlife Authority

bcc:

S. McNary - A-7
G. Delwiche - KE-4
R. Austin - KEW-4
G. Dondlinger - KEWB-4
R. Beaty - KEWL-4
P. Lofy - KEWL-4
J. McCloud - KEWL-4
J. Geiselman - KEWR-4
J. Rowan - KEWR-4
T. Yerxa - KEWR-4
G. Baesler - KEWU-4
C. Craig - KEWU-4
D. Docherty - KEWU-4
S. Keen - KEWU-4
K. Kirkman - KEWU-4
M. Shaw - KEWU-4
P. Key - L-7
B. Miller - PNG-1
Official File - KEW (EX-15-18)

FY'05 WITHIN-YEARS APPROVED TO DATE

Project #	Project Name	Budget Adj. Amount	Expense or Capital	Within Year or Reschedule	BOG Category	Council Letter of Recommendation
1993-066-00	Oregon Screen Project	\$167,280	Capital	Within Year	Pre-categories	12/16/2004
1998-018-00	John Day Watershed Restoration	\$249,802	Capital	Within Year	Pre-categories	12/16/2004
2003-023-00	Chief Joseph Hatchery Program	\$349,000	Capital	Within Year	Pre-categories	3/16/2005
2005-002-00	Lower Granite Dam Adult Trap Improvements	\$300,000	Capital	Within Year	2	2/1/2005
1992-059-00	Willow Creek	\$10,000	Capital	Within Year	No BOG Review	BPA Decision
1985-038-00	Colville Tribal Hatchery O&M	\$50,000	Expense	Within Year	1	4/18/2005
1987-099-00	Dworshak Dam Impacts Assessment and Investigations	\$50,000	Expense	Within Year	3b1	4/18/2005
1988-053-07	Hood River Production Program O & M	\$350,000	Expense	Within Year	Pre-categories	BPA Decision of 2/16/05 Capital to Expense
1989-062-01	Annual Work Plan CBFWA	\$1,000	Expense	Within Year	Pre-categories	BPA Decision
1991-046-00	Spokane Tribal Hatchery O&M	\$83,000	Expense	Within Year	3a	4/18/2005
1991-047-00	Sherman Creek Hatchery O&M	\$8,918	Expense	Within Year	1	4/18/2005
1991-047-00	Sherman Creek Hatchery O&M	\$2,084	Expense	Within Year	1	4/18/2005
1993-035-01	Lower Red River O&M	\$99,570	Expense	Within Year	3a	4/18/2005
1996-005-00	ISAB Support	(\$78,802)	Expense	Within Year	Pre-categories	Council Decision
1997-051-00	Yakima Side Channels	\$100,000	Expense	Within Year	4	BPA Decision of 2/16/05 Capital to Expense
2001-033-00	Coeur d'Alene Tribe (Hangman Restoration Project)	\$76,800	Expense	Within Year	Pre-categories	2/1/2005
2003-017-00	Integrated Status and Effectiveness	\$350,000	Expense	Within Year	2	4/18/2005
2005-001-00	Estuary RM&E Pilot	\$80,000	Expense	Within Year	2	4/18/2005
2005-007-00	Fulton Diversion	\$146,000	Expense	Within Year	2	4/26/2005
2005-008-00	Chewuch Diversion	\$122,000	Expense	Within Year	2	4/26/2005
2003-114-00	Acoustic Tracking Study-Survival of Columbia River Salmon	\$120,000	Expense	Within Year	3b2	BPA Decision
2005-009-00	Twisp Side Channel (MSRF)	\$92,000	Expense	Within Year	2	5/12/2005
2005-010-00	MacPherson Side Channel	\$92,000	Expense	Within Year	2	5/12/2005
2005-005-00	Hottell Headgate	\$11,000	Expense	Within Year	2	4/26/2005
2005-006-00	Marachi Diversion	\$92,000	Expense	Within Year	2	5/12/2005
2002-003-00	Secure and Restore Critical Fish and Wildlife Habitat	\$43,581	Expense	Within Year	3a	BPA Decision

PENDING REQUESTS

1995-057-00	Deer Parks Complex	\$72,000	Expense	Within Year	1 and 3a	Pending
1998-003-00	Spokane Tribe Wildlife O&M	\$49,789	Expense	Within Year	3a	Pending
2005-002-00	Operation of Lower Granite Adult Trap	\$112,000	Expense	Within Year	3a	Pending
2003-023-00	Chief Joseph Hatchery	\$132,000	Capital	Within Year	3a	Pending
1997-024-00	Avian Predation on Juvenile Salmonids	\$15,000	Expense	Within Year	2	Pending
1987-127-00	Non-Federal Smolt Monitoring Program	\$21,262	Expense	Within Year	3a	Pending Council input

Total Capital to Date	\$ 1,076,082
Pending Capital	\$ 132,000
Total Capital	\$ 1,208,082

Total Expense to Date	\$ 1,969,953
Pending Expense	\$ 270,051
Total Expense	\$ 2,240,004

bcc:

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Official File - KEW (EX-15-18)

Attachment 2: Letter received from Columbia Basin Fish and Wildlife Authority regarding an analysis they completed regarding the dollars available for the spending reserve to address the within-year modifications.



December 22, 2005

Melinda Eden
NPCC Member Chair
Northwest Power and Conservation Council
851 SW 6th Ave., Suite 1100
Portland, OR 97204-1348

Greg Delwiche
Vice President EFW
Bonneville Power Administration
905 NE 11th Ave
Portland, OR 97208-3621

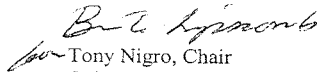
Dear Ms. Eden and Mr. Delwiche:

The Columbia Basin Fish and Wildlife Authority (CBFWA) understands the Bonneville Power Administration (BPA) will be providing the region an estimate of the amount of dollars available for use in Fiscal Year (FY) 2006 as a "Spending Reserve" to fund within-year project requests. Our understanding is that BPA will provide this estimate in January 2006 prior to the first FY 2006 Quarterly Review.

CBFWA has completed an analysis that indicates that the "Spending Reserve" may be between \$7.7 and \$9.7 million. This analysis is based on BPA's budget rules, planned and actual expenses, and planned and actual capital outlays (Table 1). Based on this analysis, total spending for the current rate case appears to be approximately \$548 million, compared to a budgeted amount of \$556 million (\$558 million if you include \$2 million not spent in FY 2002).

CBFWA reiterates calls we have made earlier that these funds be spent during the current rate period to maximize on-the-ground efforts to protect, mitigate and enhance fish and wildlife resources in the Columbia River Basin.

Sincerely,


Tony Nigro, Chair
Columbia Basin Fish & Wildlife Authority

Cc: Members, CBFWA
Bill Maslen, BPA
Doug Marker, NPCC

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COORDINATING AND PROMOTING EFFECTIVE PROTECTION AND RESTORATION
OF FISH, WILDLIFE AND THEIR HABITAT IN THE COLUMBIA RIVER BASIN

Ms. Eden & Mr. Delwiche
 December 22, 2005
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Table 1. Planned versus actual spending [in millions] for the period 2002-2006, to implement the Columbia Basin Fish and Wildlife Program. Source: BPA Budget to Actuals reports 2004-2006.

FY	BPA Budget Rules ^a	Planned Expense	Actual Expense	Planned Capital	Actual Capital
2002		*	\$137.1	*	\$6.1
2003	\$139.0	*	\$140.7	*	\$11.6
2004	\$139.0	\$152.9	\$132.8	\$36.8	\$8.5
2005	\$139.0	\$155.7	\$135.8	\$41.3	\$12.2
2006	\$139.0	\$158.0	\$139 ^b	\$56.0	?
Average			\$136.6		\$9.6
Total	\$556.0		\$548.3^a		

* Planning budgets in FY 2002 and 2003 were not categorized as Expense or Capital.

^a. BPA Budget Rules applied for only 2003 through 2006.

^b. Current estimated target for FY 2006 Expense.