

Lower Columbia and Estuary Provinces

Background and Process

Staff conducted several meetings with project sponsors and ESA implementation agencies in the Lower Columbia and Estuary provinces. The Council decided to treat these separate provinces as a group for funding purposes.

The first meeting with project sponsors and agencies took place on June 28th to determine the accuracy of the budget figures that staff had developed for the projects and the provinces. On July 11th, Council staff met with staff from the Corps of Engineers, NOAA Fisheries and the Bonneville Power Administration to outline funding priorities for those agencies for Endangered Species Act implementation. At that meeting the group explored the possibilities of leveraging Corps funding through its various nationwide authorities and through specific appropriations for the estuary in the Water Resources Development Act of 2002. The meeting with these federal agencies to discuss ESA needs is a step that has not been taken in prior provincial reviews. Such a meeting was deemed necessary in these provinces because the FCRPS BiOp has a substantial number of RPA action items that relate specifically to the estuary and lower Columbia River area. This was not the case in the provinces that the Council has previously considered.

The second meeting with project sponsors occurred on July 23rd. At that meeting, Council staff presented several options from maintaining the "status quo" of funding only ongoing projects, to having an entirely ESA focus that would eliminate a large percentage of the ongoing projects to fund ESA implementation. Though the group failed to come to any agreement on a specific funding package, they appeared to move toward two options that would continue ongoing projects at a reduced level to address ESA implementation. One would focus on balancing the budget to meet the Council target for these provinces. The second would exceed the Council target budget to enhance ESA implementation.

A final meeting with project sponsors concluded without a recommendation of a funding package for the Council Fish and Wildlife Committee. The group had strong opinions regarding funding of ongoing activities versus the funding of primarily ESA implementation. The Council's staff explored three funding options with the Fish and Wildlife Committee to obtain direction from the Committee to enable staff to develop a final funding package for the Council. Based upon guidance provided by the Fish and Wildlife Committee at the August 13th Helena, Montana meeting, staff crafted the recommendation adopted for these provinces by the Council described in this memorandum and companion projects table.

Before addressing project specific issues, the Council dealt some general issues relating to these two provinces.

Lower Columbia and Estuary General Issues

Lower Columbia and Estuary - General Issue 1 - Base Budget

As a rule, the Council has calculated the base budget for a province by taking the historic level of funding ongoing activities in the province and using a formula to calculate the difference between the old \$127 million funding cap and the new Fiscal Year 2001 \$186 million planning target to determine the money available for new project funding (see Issue 1 in the General Issue Memo).¹ Project 199206800 Implement Willamette Basin Wildlife Mitigation did not have its operations and maintenance and monitoring and evaluation budgets calculated in the development of the base budget for these provinces. For Fiscal Year 2002 those two budgets would have added \$571,611 dollars to the base budget for the province. Adding those dollars to the base for the provinces would also yield a different calculation for the percentage of money available to the Lower Columbia and Estuary provinces for new starts, resulting in an additional \$105,234 added to the province budgets. Thus, the total base budget target for the Lower Columbia and Estuary would be \$6,994,879.

Lower Columbia and Estuary - General Issue 2 - Zero-Based budgeting

Council policy in previous provincial funding decisions has been to, "as a matter of first priority, maintain adequate funding for the operation, maintenance, monitoring and evaluation of ongoing projects" (see Issue 2 in the General Issue Memo).² At its Yakima meeting on July 17, 2002 the Council gave its staff the license to explore a zero-based budget for the Lower Columbia and Estuary for Council consideration, without rejecting the Council directive for ongoing projects.

The inherent tension in these provinces stems from the lack of ongoing work in the Estuary and the emphasis of NOAA Fisheries, Bonneville and the Corps for ESA implementation in the that province versus the commitment to ongoing projects in the Lower Columbia. Many of the new projects proposed in the Estuary and Lower Columbia would (largely) address ESA measures specifically applicable to the Estuary and additional ESA Reasonable And Prudent Actions (RPAs) for chum salmon in the Lower Columbia. Most of the new projects in the Lower Columbia address Power Act responsibilities but suffer from the lack of a completed Biological Opinion in the Willamette and other subbasins in the Lower Columbia that would incorporate ESA implementation. Bonneville's comments focused on its need to protect ongoing investments in the Lower Columbia, while also desiring to commit to a program that addresses ESA responsibilities.

The Council explored a different priority for program implementation in these two provinces. The focus of several of the options the provincial group explored would have sharply deviated from the Council's stated policy of preserving ongoing projects. Ultimately, the group as a whole thought some of the options discussed broke too much with Council precedent. The Council funding recommendations here is aimed at jumpstarting an ESA implementation

¹ Northwest Power Planning Council, Issue summary for Columbia Plateau provincial review decision, November 8, 2001, Page 2.

² Issue summary, Page 5.

program vital toward the success of the FCRPS Biological Opinion and also maintaining funding for ongoing activities to preserve past investments of the Fish and Wildlife program.

Lower Columbia and Estuary - General Issue 3 - Research as a Project Priority

As a general Council priority, research has not received favored treatment in the provincial reviews to date. The Council made a policy decision last year that, at this time and given other priorities, "the Council likely will not support funding new or expanded research initiatives" (see Issue 2 of the General Issue Memo).³

The Council's recommendations for these two provinces includes significant funding for research initiatives, though not as much as other options explored, but ultimately rejected. Several projects in the Estuary concern various explorations of the effects of the plume (Projects 199801400, 30002 and 30007), specific effects of the estuary (Project 30001) and one project that could be characterized as ocean research (Project 30010).

The Council believes the research initiatives recommended have important consequences for implementation of actions to address Endangered Species Act concerns, particularly in an area where little is known about the effects of the hydrosystem on these types of salmonid habitats. The Council, for these reasons, and in this area, departs from past Council policy that treats new and expanded research generally as a disfavored project category.

Lower Columbia and Estuary - General Issue 4 - Leveraging Corps of Engineers Funding and other funding sources

The Biological Opinion for the Federal Columbia River Power System has several Reasonable and Prudent Actions (RPAs) specifically dealing with the estuary. These RPAs have both Bonneville and the Corps of Engineers as responsible implementation agencies. Several new projects proposed in the Estuary province attempted to address these RPAs by leveraging Corps funding for its general authorities with Bonneville money as a match (Projects 30011 *Preserve and Restore Estuary Islands* and 30004 *Blind Slough Restoration*).

One project in the Willamette (199206800) attempted to leverage a specific Corps appropriation for funding the Willamette floodplain restoration study, with Bonneville money serving as a match. A specific Corps appropriation in the 2002 Water Resources Development Act could serve as a match for Bonneville funding to implement a significant portion of Project 30016, *Implement Habitat Restoration for the Lower Columbia River Estuary*.

A similar situation exists with Project 30006 *Effectiveness Monitoring of Chinook River Estuary*. The Salmon Recovery Funding Board provided \$375,000 to restore the Chinook estuary. Bonneville funds would be used to monitor the effectiveness of that restoration project, effectively leveraging SRF Board contributions.

The Council has attempted to leverage these other funding sources to a large degree. The Council believes leveraging these other funding sources with Bonneville money maximizes the

³ Issue summary, Page 5.

effective use alternative funding sources and allows the Council to broaden the scope of its implementation efforts in these provinces.

Lower Columbia and Estuary Project Specific Issues

Willamette Subbasin

Willamette Issue 1: Wildlife Habitat Project Funding, *Burlington Bottoms Wildlife Mitigation Project (Project 199107800)*, *Amazon Basin/Eugene Wetlands Phase Two (Project 199205900)*, *Implement Willamette Basin Mitigation Program (Project 199206800)* and *Protect and Enhance Tualatin River NWF Additions (Project 200001600)*

Council Recommendation: The suite of wildlife projects proposed in the Willamette generates the same set of issues and the Council treats them as a group for recommendation purposes. Historically, most Fish and Wildlife Program funding in the Willamette Subbasin has involved mitigation for the construction and inundation losses associated with the series of federal projects on the Willamette system. These projects have primarily been the method of addressing those construction and inundation losses in the Willamette, although some funding for Willamette losses has also come from the Oregon wildlife umbrella project (199705900) covered in the Mainstem/Systemwide review.

All four projects identified above include funding requests for operations and maintenance, monitoring and evaluation and for habitat enhancement activities. Amazon Basin, the Willamette Mitigation and the Tualatin River NWF contain requests for habitat purchases associated with the expansion of the mitigation area (Tualatin and Amazon Basin) or with continued purchase of biologically significant parcels (Willamette). The Willamette project also includes a new objective - the cost share portion of a Corps of Engineers study for floodplain restoration study for the Coast and Middle Forks of the Willamette. Corps funds would come from their General Investigations program and the request for the Willamette project would provide the non-federal cost share for that feasibility study.

The Independent Scientific Review Panel rated all four projects as "Fundable", although they questioned the priority of all four projects. The Columbia Basin Fish and Wildlife Authority rated these projects as a High Priority. NOAA Fisheries comments indicated that although the projects may have some incidental benefits to fish populations, none of the projects implement a Biological Opinion RPA (the FCRPS Biological Opinion does not apply to Willamette stocks). Bonneville had fairly consistent comments on all four projects. BPA supported ongoing Operations and Maintenance and Monitoring and Evaluation funding to preserve past investments as wildlife mitigation. They generally did not support expansion of the projects through habitat purchase. However, Bonneville did indicate that the Willamette project and Amazon Basin could target new acquisitions after "a thorough review of the overall strategy for wildlife mitigation in the Willamette Basin. We [BPA] intend to work with the project sponsors and the Council to investigate alternatives for achieving wildlife mitigation that may be more cost effective than current land acquisitions."

The Council supports the general approach of reducing the current scope of land acquisition in the Willamette Basin. These projects have received ISRP and manager support and merit continued operations and maintenance and monitoring funding to preserve the past investments of the Fish and Wildlife Program. There is apparently no dispute that unmitigated construction and inundation credits remain in the Willamette. Also not in dispute is the crediting ratio for enhancement activities on wildlife mitigation projects, which provide Bonneville with habitat credits at a one-to-one ratio. Thus, the Council recommends funding the aspects of these projects that support habitat enhancement objectives.

The Council believes that given the need to address the Endangered Species Act, particularly as it relates to the Reasonable and Prudent Actions applicable to the Estuary and Lower Columbia mainstem, and to chum salmon recovery (see Lower Columbia and Estuary General Issue 2), will require some temporary change of emphasis to the Fish and Wildlife Program in the Lower Columbia. Therefore, the Council recommends placing a hold on land acquisitions for these projects and reprogramming those funds to address the ESA considerations in these provinces, with one exception.

The Council recommends continued support for at least some acquisition strategy for the overall Willamette Mitigation project 199206800, although we would recommend reducing the scope of habitat acquisition funding by two-thirds of the proposed budget for that task. Per Bonneville's comments, the Council supports a review of the overall strategy of wildlife mitigation in the Willamette. The Council encourages an expedited review of the Willamette mitigation strategy, but believes that acquisitions to address the Bonneville mitigation responsibility should continue, albeit at the recommended reduced scale. The project had a base budget in Fiscal Year 2002 of \$2.7 million. The CBFWA proposed amount for Fiscal Year 2003 was \$1,567,500 and the Council proposed budget is \$938,500.

In Fiscal Year 2003, the Tualatin project (200001600) had a CBFWA proposed budget of \$256,000. By removing the acquisition funding, the Council revised budget recommendation is \$91,000 for Fiscal Year 2003. Amazon Basin (199205900) had its acquisition funding placed in years two and three of the funding cycle. Under the Council revision, the project's budget decreased to \$62,712 in Fiscal Year 2004 from the CBFWA proposed \$322,500.

To leverage other funding sources (see Lower Columbia and Estuary General Issue 4), the Council recommends funding the new floodplain restoration study task of project 199206800. The Corps will fund fifty percent of the study costs and will then fund up to 65 percent of implementation costs for projects developed from the study. As the Corps notes in their comments on the project, "[T]he Corps cannot conduct the feasibility study or implement projects without a local match." (Letter of June 21 from Davis Moriuchi, Deputy District Engineer for Project Management.) Similar to leveraging funding opportunities in the Estuary (Columbia Estuary Issue 2), the Council believes that funding this task will help leverage other federal funds and the study results could provide direction for mitigation activities in the Willamette.

All funds for these projects would come from the base funding allocation for the Lower Columbia and Estuary Provinces.

Willamette Issue 2: *Middle Fork Willamette Bull Trout Re-introduction and Basinwide Monitoring (Project 199405300)*

Council Recommendation: The Oregon Department of Fish and Wildlife has been evaluating the status and trends of bull trout populations in the Willamette system for several years. Although CBFWA designated this ongoing project as a High Priority, the ISRP rated it as "Do Not Fund", the only ongoing project in these provinces to receive that ISRP rating.

Bonneville recommended "deferring consideration of new ESA listed fish mitigation proposals in the Willamette until issuance of the NOAA Fisheries/USFWS Biological Opinion for the Willamette." Though the project proposed new work in an expansion of the ongoing project, Bonneville's comments do not address the ongoing work associated with the project.

In the series of meetings staff conducted to review projects in these provinces, ODFW stated that they had addressed the ISRP concerns with the project by dropping the expanded tasks and new work that ISRP disliked and asked that staff recommend funding for the ongoing activities. The Council, however, finds no compelling evidence to confirm the sponsor's contention that ISRP supported the ongoing work. The Panel gave a Do Not Fund recommendation to the project, not a Fund in Part recommendation for the ongoing work. Without such a distinction and without a compelling policy justification to continue the ongoing work, the Council recommends not funding the project.

Sandy Subbasin

Sandy Issue 1: *Sandy River Delta Riparian Forest, Wetlands, and Anadromous Estuary Restoration (Project 199902500)*

Council Recommendation: The US Forest Service - Columbia River Gorge National Scenic Area has conducted this ongoing project to restore rare Columbia River floodplain gallery riparian forest, restore wetlands and with a new objective, to remove a dike from the original Sandy River channel to restore hydrology and increase anadromous habitat, particularly for chum salmon. The Forest Service indicated that all the objectives are independently fundable.

Comments and recommendations focused most particularly on the new task of dike removal as the crucial aspect of the project. CBFWA rated the project as High Priority. The ISRP rated the proposal "Fundable" and stated their "assessment of this proposal and its potential benefits is contingent upon removing the dike." NOAA Fisheries commented that the proposal addressed RPA 152 and that the "proposal should focus on securing the dike removal" first. Bonneville recommended the project to implement RPAs 155 (initiate improvements in three mainstem reaches) and 157 (fund actions to improve and restore tributary and mainstem habitat for Columbia River chum) and wanted to obtain documentation of changes of fish use of the old channel versus the new channel and the links to dike removal.

Project sponsors have proposed an implementation strategy that would first restore the riparian forest, based upon their concerns that once the dike was removed, access to the site would be

limited and they want to get the work accomplished before that event. The wetland restoration portion of the project is ramping down. Dike removal would require the proper NEPA analysis and engineering feasibility before implementation.

The Council believes that the dike removal aspect of the project is an important implementation of the RPAs associated with Columbia River chum restoration and recommends funding the additional task. The project sponsors should conduct the necessary NEPA analysis and other studies as soon as possible to proceed to implement the dike removal. The Council recommends that the \$800,000 cost associated with the dike removal be added in Fiscal Year 2004 rather than Fiscal Year 2005 to support the ISRP recommendation that removal proceed as expeditiously as possible. Moving the dike removal up a year should not negatively impact the riparian forest restoration, since the sponsors indicated they would like to conduct those activities prior to removal.

The funds for this project, including the dike removal, would come from the base budget for the province allocation.

Columbia Lower Subbasin

Columbia Lower Issue 1: *Select Area Fishery Evaluation Project (Project 199306000)*

Council Recommendation: 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 harvest of hatchery fish while providing greater protection to weak wild salmon stocks. The project developed in three distinct stages: an initial two-year research phase to investigate potential sites, salmon stocks, and methodologies; a second three-year phase of expansion in Youngs Bay and introduction into areas of greatest potential as shown from the initial work; and a final five-year phase of establishing terminal fisheries at full capacity at all acceptable sites. Currently, the project is in the third phase.

The project received a "Fundable in Part" recommendation from the ISRP. The ISRP supported the ongoing activities but did not support any expansion of the project due to lack of scientific and economic justifications. The ISRP stated that before any additional investment into the expansion of this project an economic analysis and a determination of potential impact on listed stocks should be conducted. CBFWA rated the projects as High Priority.

Bonneville recommended funding the project for the implementation of RPA 164 (Harvest Strategy 1: Develop fishing techniques to enable fisheries to target non-listed fish while reducing harvest-related mortality on ESA-listed species) and recommended that the funding of the project be conditioned on the submittal of delinquent annual reports. In addition, Bonneville concurred with the ISRP regarding the current scope, though they mentioned the excessive costs associated with the project.

NOAA Fisheries indicated that there is no association of this project to the Biological Opinion for the Federal Columbia River Power System and stated "close evaluation of this project is needed before any expansion to avoid any risk to listed fish."

Council staff concurs with the findings of the ISRP, Bonneville and NOAA and supports no expansion of the production associated with the project. Funding for Fiscal Year 2003, 2004 and 2005 reflects no expansion of the project, but applies the 3.4% rule. Funds were provided in Fiscal Year 2003 to relocate a net pen at Tongue Point. This reflects a one-time cost of \$71,000 to relocate the net pen from a leased area where the project has lost the ability to lease the location, to a new dock.

Funding associated with Fiscal Year 2003 will address the tenth and final year of the feasibility study. The Council needs to receive a final report regarding this project summarizing and evaluating the findings and conclusions of this investigation regarding the feasibility of terminal fisheries in the lower Columbia. This report needs to be comprehensive and must address the current dynamics in the commercial fisheries such as the market, the economic value of the fisheries made possible through this project, and the value to the industry of this project in the context of all other fishing opportunities and activities in the lower Columbia and Estuary that the industry now has available. At the conclusion of the tenth season the information and data collected to date will need to be summarized and analyzed with the report submitted in Fiscal Year 2004. Activities associated with this final report and project review needs to occur within the budget proposed in the staff recommendation. If there is a budget shortfall, sponsors will need to prioritize tasks from within budget to ensure completion of these final report activities. The staff recommended that the project sponsors' final report be reviewed by both the ISRP and the IEAB during Fiscal Year 2004, and that future funding for this proposal (i.e. Fiscal Year 2005) is conditioned on a favorable review by these advisory boards and the Council.

The Council deferred a recommendation on this project at its September meeting. The Council noted the substantial investment in this project that has been made, and has questions about the economic value of the project to the commercial fishing industry that it utilizing it. Sponsors and supporters of the project provided the Council with economic information and testimony at the October meeting. After considering this information, the Council recommends funding for the project subject to the conditions set forth above.

Columbia Lower Issue 2: *Protect, Enhance and Maintain the Shillapoo Wildlife Area* (Project 31024)

Council Recommendation: WDFW proposes this ongoing project to maintain and implement measures to restore and enhance wetland, riparian, and upland habitat in the Vancouver Lake Lowlands area. CBFWA designated the project as High Priority. ISRP supported funding, but expressed concerns that the project could have some detrimental effects to anadromous fish through predation or elevated water temperatures. WDFW has indicated they are willing to reconsider the reconnection part of the project to address ISRP concerns.

The issue surrounding the project stems from Bonneville's comments that recommend not funding the project, stating the MOA between WDFW and BPA (October 1996) already provides the funding sought. WDFW contends that that MOA does not cover the project.

The Council supports the project and its objectives, but recognizes that the legal issue of project funding and coverage under the Washington MOA must be resolved prior to implementation of the project.

Columbia Lower Issue 3: *Re-introduction of Lower Columbia River Chum Salmon into Duncan Creek (Project 200105300)*

Council Recommendation: The Duncan Creek project, proposed by the Pacific States Marine Fisheries Commission and the Washington Department of Fish and Wildlife, would monitor and evaluate the success of restored spawning channels for chum salmon and possibly jump start the population by collecting broodstock for natural or artificial production. Support for the project and its broodstock collection components would trigger the Council's three-step review process for new artificial production related initiatives.

The project has a short, but somewhat convoluted history. This project was originally a High Priority solicitation project⁴ and received a "B" ranking for a limited portion of the proposal from the Independent Scientific Review Panel (ISRP)⁵. The Council did not recommend the \$420,796 proposal for funding in its High Priority recommendations made on February 7, 2001 and March 7, 2001.

At the 2nd Quarter Fiscal Year 2001 meeting, NOAA Fisheries and BPA agreed to fund the project for \$420,795 through the ESA placeholder in the 2001 Fish and Wildlife Program budget. As part of that decision, WDFW was asked to refine the proposal to include better M&E and other activities in response to ISRP's comments and NOAA Fisheries review. BPA also requested additional chum salvage work in case of low water years. The project sponsor developed a new proposal for a total of \$841,685.

On July 31, 2001 the Council received from CBFWA a recommendation for additional funding for Project 23040, *Re-introduction of Lower Columbia River Chum Salmon into Duncan Creek*. The National Marine Fisheries Service had subsequently advised Bonneville in writing that the Biological Opinion for the federal hydropower system requires this project and that it should be funded from a placeholder remaining for Endangered Species Act measures. In addition, the

⁴ The "High Priority" project solicitation funded by the Bonneville Power Administration during Fiscal Year 2001, was intended to address projects resulting in immediate, on-the-ground benefits to threatened and endangered species of salmon and steelhead in the Columbia River Basin. This funding was not intended to build infrastructure or capacity that requires separate follow-on funding in subsequent fiscal years to do the on-the-ground implementation. Additional activities of the kind approved for funding in a "High Priority" project were to be proposed for funding in FY 2002 on their own merits in the appropriate province review.

⁵ The ISRP reviewed the project in the High Priority process. It limited recommendation for the project: "*Objective 1 of the proposal meets the High Priority criteria, namely creation or cleaning up of the spawning grounds. The remainder of the objectives does not meet the threshold criteria of one-time funding for on-the-ground benefits. Natural recolonization by the remnant chum stock in Duncan Creek should be pursued prior to introduction of outside stock. The proposal might be funded at a reduced level for work on the spawning sites.*" (From ISRP 2001-1: High Priority Review).

project sponsors subsequently revised the proposal addressing the comments and requests for additional monitoring and "salvage" work anticipated during low flow conditions in the fall of 2001. This revision was the basis for CBFWA's request for an additional \$420,890 for the project.

In follow-up to this request, prior to the presentation to the Council, the Council staff discussed with NOAA Fisheries and Bonneville staff the consistency of this proposal with Reasonable and Prudent Alternatives (RPAs) of the Biological Opinion for the federal hydropower system. From these discussions there seemed to be differences between NOAA Fisheries and Bonneville on the application of the project elements to the RPAs. The restoration of spawning habitat for chum below Bonneville Dam is called for by RPA 157. An element of the original proposal, recommended in writing by NOAA Fisheries, would accomplish that work and was supported by the ISRP review. However, the additional artificial propagation, including the "salvage" operation for this year are not clearly identified as an RPA. NOAA Fisheries staff suggested that these may be consistent with RPAs 177 and 178 which call for funding "safety-net" measures for high risk salmon and steelhead populations.

On August 7, 2001 the Council decision was to defer consideration of artificial propagation activities and expanded monitoring components of the Duncan Creek proposal until the Lower Columbia Provincial review, and it requested additional information on the contingency plan for the salvage operation.

Additional discussion among Council, NOAA Fisheries and WDFW staffs occurred to respond to the Council's information request. On August 29th, 2001, the Council recommended that \$67,000 to be added to the original \$420,795 provided to the National Marine Fisheries Service for the Duncan Creek chum spawning channel rehabilitation project. This additional \$67,000 recommended by the Council was to support the contingency salvage operation for adult chum salmon.

CBFWA rated the proposal for the Lower Columbia provincial review as a High Priority. The ISRP provided a fundable recommendation for the benefits to chum, coho and sea-run cutthroat, though they cautioned that chum salmon should not be stocked until a plan for establishment of a wild chum population in the context of a watershed assessment occurs and that monitoring protocols are defined.

NOAA Fisheries commented that Duncan Creek was an important project to move chum spawning from the mainstem to the tributaries and believed it addressed RPAs 156 and 157. Bonneville supported funding the project and agreed with NOAA Fisheries that the restoration efforts would implement RPAs 156 and 157.

The Council agrees that Duncan Creek potentially has substantial benefits for chum salmon restoration and would recommend funding the project. We do note that the taking of captive broodstock and the potential of artificial production would trigger a Three-Step review under the Fish and Wildlife Program. That Step review would then allow the Council to focus on addressing the ISRP concerns of conducting a watershed assessment and defining monitoring protocols prior to the stocking of a chum population. Therefore, funds associated with artificial

production contained in the Construction and Implementation (objectives 3, 4 and 5) and Monitoring and Evaluation (objectives 3,4,5,6,7, and 8) budgets for the project are conditioned upon initiating, and then receiving a favorable three-step review decision by the Council.

Funds for the Duncan Creek project would come from the base budget allocation for these provinces.

Columbia Estuary Subbasin

Columbia Estuary Issue 1: ESA Research Projects, *Survival and Growth of Juvenile Salmonids in the Columbia River Plume (Project 199801400)*; *Holistic Habitat Opportunities and Food-Web Linkages of Juvenile Salmon (Project 30001)*; *Optimization of FCRPS Impacts on Juvenile Salmonids (Project 30002)*; *Acoustic Tracking Array for Studying Ocean Survival and Movements of Columbia River Salmon (Project 30007)*; *Canada-USA Shelf Salmon Survival Study (Project 30010)*

Council Recommendation: These five proposals are all research proposals involving study of the estuary habitat, the Columbia River plume and the ocean habitats that Columbia River salmon traverse during their migration. The Council is recommending two of these proposals for funding in this provincial review, that two of the proposals be moved to the Mainstem/Systemwide review for consideration, and that one proposal not be funded at this time.

Of the five research projects, only 199801400 is an ongoing effort. It has proposed a rather substantial expansion of its plume study. It received a High Priority rating from CBFWA and the ISRP gave it a fundable recommendation, noting that the project sponsors felt that tasks 4 and 5 could be deferred for 1-2 years if budget constraints affected funding. NOAA Fisheries supported this NOAA Fisheries sponsored research project. They identified the project addressing numerous RPAs, but most significantly RPAs 158 and 162. Bonneville supported the project, but noted that it should coordinate with the other four proposed research projects. Bonneville's comments on the other four proposals are similar to their comments on 199801400 and will only be addressed here.

The Council agrees with the ISRP, BPA and NOAA Fisheries that the project provides an important research effort, which could probe how the hydrosystem and its operation impacts the estuary and near-shore ocean and plume environment. The Council also supports the expansion of objectives 1,2 and 3 of the project believing that these expanded objects will address ESA concerns in a fashion that outweighs the Council's lower priority for expanded research projects. However, the Council agrees with the ISRP and the project sponsors that Objectives 4 and 5 could be deferred. The Council does not recommend funding those two objectives at this time.

Funds for the base of this project and for the expansion of the ongoing objects would come from the base allocation for the provinces.

Project 30001 received a High Priority rating from CBFWA and a fundable recommendation from the ISRP. NOAA Fisheries supported the project, again unsurprising, noting that the project addressed RPAs 158 and 162. The Council supports funding the project as another

important research opportunity to address ESA concerns that would outweigh the Council's lower priority on new research projects.

Funds for the new Project 30001 would come from the unallocated placeholder since funding this project would exceed the Council's recommended budget for these provinces.

Though given a High Priority designation from CBFWA and supported by the ISRP and NOAA Fisheries, the Council does *not* recommend funding project 30002 at this time. The Council's reasoning is based upon the ISRP comments on this project and upon budgetary constraints. ISRP stated that "since we see nothing fundamentally wrong with this proposal's presentation, we recommend funding. *However, we also believe that this proposal is a couple of years ahead of its useful time and that it could be deferred if funding limitations required.*" [Emphasis added.] The Council believes that other projects that implement ESA actions and provide results in the time period of the current FCRPS Biological Opinion during this tight budget situation should outweigh implementation of this research proposal. Project 30002 could be better sequenced at a later time to take advantage of the information gained from the expansion of Project 199801400.

The Council finds that the other proposals, 30010 and 30007, should be moved to the Mainstem/Systemwide review for consideration. Project 30010 is clearly an ocean research proposal and does not fit within the geographic scope of the Lower Columbia and Estuary Provincial review. It is more appropriately considered in the Mainstem/Systemwide review along with other ocean research projects.

Project 30007 also involves ocean research, but has research elements for the plume and near shelf that could be considered under the Lower Columbia and Estuary review. Although given a Do Not Fund recommendation by CBFWA, the ISRP rated this project as fundable, but recommended funding at a reduced level from the proposal. Both NOAA Fisheries and Bonneville suggested moving the project to the Mainstem/Systemwide review, BPA noting that the project could coordinate with a similar NOAA Fisheries proposal on acoustic tracking. The Council agrees with these comments and would suggest reviewing the project in the Mainstem/Systemwide process.

Columbia Estuary Issue 2: Columbia Estuary Habitat Restoration Projects, Blind Slough Restoration (Project 30004); Preserve and Restore Columbia River Estuary Islands (30011); Implement the Habitat Restoration Program for the Columbia Estuary and the Lower Columbia River (30016)

Council Recommendation: There are several new projects submitted for the Columbia Estuary Province that address habitat restoration, a key part of the 2000 FCRPS Biological Opinion. BPA investment in habitat restoration in the Columbia Estuary had been very limited in past Fish and Wildlife programs. The Columbia Estuary provides the last feeding and rearing habitat for juvenile salmonids prior to entering the Pacific Ocean. For this reason, the Biological Opinion considers the estuary vital, not only for salmonids in the lower basin, but also for anadromous fish throughout the basin. These three projects present similar issues in their efforts to purchase and restore habitat to address RPA 160 of the Biological Opinion and to leverage other funding sources to implement the projects.

The Columbia River Estuary Study Taskforce (CREST) proposes in project 30004 to restore the tidal exchange between the Columbia River Estuary and Blind Slough in the community of Brownsmead, Oregon. BPA funds will be used to match U.S. Army Corps Section 1135 funding for 25% of the total project costs. CBFWA rated the project as a Recommended Action. The ISRP rated the proposal as fundable, but according to the review, the selection of the seven sites was determined by landowner consent rather than by scientific criteria. The description of how tidegate effectiveness will be monitored does not provide specifics, but refers to "appropriate metrics and monitoring protocols." ISRP believed the monitoring program should be designed before work begins on the project and that there should be a pre-program assessment of predator populations. Both NOAA Fisheries and BPA supported the project as implementation of RPA 160, though Bonneville commented that ISRP concerns should be addressed.

Project 30016 seeks to establish a program to identify and prioritize on-the-ground habitat restoration projects and plan their monitoring and evaluation. Sponsors the Lower Columbia River Estuary Partnership (LCREP) and CREST want to take action on six restoration projects already processed and approved through regional and local work groups. This project is intended to leverage \$2 million in funds from the Corps of Engineers, pending Congressional appropriation.

CBFWA provided a Recommended Action recommendation for the proposal. The ISRP states that the likely fish and wildlife benefits of this project are high and therefore recommends funding. Project sponsors were commended for undergoing a thorough and scientifically defensible approach to selection of restoration sites. The ISRP raises a policy question – "Should the Basin direct such large funding into purchases at the likely expense of many more investigative projects?" Although ISRP gave a "fundable in part" recommendation, there is no clear indication in the written review about which part is not fundable. The Council believes the ISRP recommendation pertains to the potential cost of fully funding the program given the level of funding in these provinces. Both Bonneville and NOAA Fisheries support the project as essential implementation of RPAs 160 and 159.

The US Fish and Wildlife Service would purchase 626 acres on Crims and Walker Islands and restore tidal emergent marsh and riparian forest habitat by enhancing tidal channels to provide juvenile salmonid rearing/ foraging habitat and to achieve the recovery of the Columbian white-tailed deer in project 30011. The project would use Bonneville funds as a 25% cost share to leverage COE section 1135 funding for purchase of these islands and their enhancement.

The ISRP ranked the project as fundable, but noted that the project is relying heavily on the refuge personnel's working knowledge of local hydrology. CBFWA provided a High Priority recommendation. Both NOAA Fisheries and Bonneville supported the project in their comments indicating that it would implement RPA 160 of the Biological Opinion.

The Council supports all three projects as vital to the implementation of RPA 160 (protect and enhance 10,000 acres of tidal wetlands over 10 years). The Council also feels that the cost share element of each project and the efforts to leverage Bonneville funding are encouraging and supports this approach to address ESA implementation. (See Lower Columbia and Estuary

General Issue 4.) Although it supports all three projects, the Council agrees with Bonneville and the ISRP that the concerns raised by ISRP about project 30004's monitoring should be addressed and a monitoring plan developed, with ISRP and Council approval, prior to any implementation actions occurring.

Funds for these projects would come from the unallocated placeholder since funding these projects would exceed the Council's recommended budget for these provinces.

Columbia Estuary Issue 3: Columbia Estuary Assessment and Monitoring Projects Effectiveness Monitoring of Chinook Estuary (Project 30006); Lower Columbia River Ecosystem Monitoring and Data Management (Project 30015)

Council Recommendation: Proposed by Sea Resources, project 30006 would monitor and evaluate changes in habitat attributes and juvenile salmonid use before and after the Chinook River estuary restoration project. The project seeks no implementation funding, merely funding for monitoring and evaluation. Washington's Salmon Recovery Funding Board provided funds for actions to restore the Chinook estuary (\$375,000). (See Lower Columbia and Estuary General Issue 4.)

The project was supported by CBFWA as a High Priority, the ISRP as fundable, NOAA Fisheries as an excellent example of a restoration project and Bonneville as supportive of funding to remove the tidegate and address several RPAs. The Council recommends funding this project and believes project 30006 is an excellent opportunity to leverage outside program funding for relatively little cost.

Project 30015 proposed by LCREP would develop protocols, procedures, and indicators for measuring habitat condition, assess exposure levels to toxic contaminants, develop ecosystem restoration information center for housing and accessing data specific to lower Columbia River and estuary. Supported by CBFWA as High Priority, the ISRP expressed some concerns in its fundable recommendation. ISRP wanted the project's database development to tie in closely with existing WDFW and ODFW databases. They also raised concern about the budget and recommended the Council require a more comprehensive description of the monitoring plan and components of the database.

NOAA Fisheries supports the project and notes its ties to the plume study 199801400 and to the proposed plume study 30002. Bonneville also supported the project as responsive to RPA 198 (development of a common data management system), though they cautioned to negotiate a statement of work that avoided overlap with other projects.

Although the Council supports the monitoring effort of LCREP, we must condition that support. The Council recommends close coordination of this effort with the NOAA Fisheries/ NWPPC project for the Columbia Basin Cooperative Information System (CBCIS). Therefore, the Council does not support the development of a database for this project until that regional effort has had the opportunity to make its recommendations on a coordinated approach to database development. The Council would not support the funding of objective three in either the

Planning and Design and Construction and Implementation portions of the budget for project 30015.

The Council also notes the costs of the project ramp-up sharply in Fiscal Year 2004, well beyond the 3.4% increase that has been used for project expansion in the provincial reviews. However, the costs appear justified, since the monitoring program implementation largely does not take place until Fiscal Year 2004. The Council supports the ISRP recommendation that it receive a more comprehensive description of the monitoring plan, to ISRP and Council satisfaction, prior to the initiation of those tasks.

Monies for both of these projects would come from the unallocated placeholder, since funding these projects would exceed the Council's recommended budget for these provinces.

Grays Subbasin

Grays River Issue 1: *Grays River Watershed and Biological Assessment (Project 30005)*

Council Recommendation: The Lower Columbia Fish Recovery Board, Pacific States Marine Fisheries Commission and the Pacific Northwest National Laboratories propose to conduct a watershed and biological assessment of the Grays River watershed to protect and restore chum spawning habitat. CBFWA designated the project as High Priority. The ISRP provided a fundable in part recommendation to conduct the watershed assessment including hydrological, geomorphological, habitat, and fish elements.

NOAA Fisheries considers the proposal to be of high quality and worthy of funding. The watershed assessment portion of the proposal partially fulfills the Biological Opinion action – RPA 157. The BPA review indicates that the Grays River supports one genetic group of chum salmon. This is one of the reasons for the agency giving the project an “A” ranking.

The Council struggled to understand the ISRP recommendation since review of this project by its staff led to the conclusion that the project is already limited to the elements ISRP supported. After further inquiry, the apparent ISRP concern about the project stemmed from the size of the budget and the belief that project sponsors were including implementation elements within the budget of an assessment project. Council staff investigated the ISRP concern and believes that project sponsors have not included implementation actions within the proposed budget and therefore the project should be funded as submitted. The program fits well into regional programs and is well connected to other projects. The Council recommends that the project be funded.

Funds for the new Project 30005 would come from the unallocated placeholder since funding this project would exceed the Council's recommended budget for these provinces.

Lewis Subbasin

Lewis Issue 1: *Evaluate habitat use and population dynamics of lampreys in Cedar Creek (Project 200001400)*

The US Fish and Wildlife Service has developed this ongoing project to identify and quantitatively evaluate populations of lampreys and their habitats in a stream below Bonneville Dam. Both CBFWA and ISRP supported the project as fundable with ISRP recommending the project continuing given the limited investment in lamprey. The sole issue for the project involves Bonneville comments. Bonneville recommended delaying the project until the development of subbasin plans established priorities for lamprey studies. They noted, "Low numbers of adults returning to the project site limit the utility of information gathered."

The Council recommends continued funding for this project. The Fish and Wildlife Service coordinates with the Pacific Lamprey Technical Working Group and the study could provide valuable information on lamprey status and behavior in the Lower Columbia that could address recovery efforts above Bonneville, particularly in the Columbia Plateau province. The ISRP was apparently unfazed about low adult returns to the site limiting the project's utility, and this is a scientific, rather than policy or legal issue. The Council believes Bonneville's comments, though provocative from an investment point of view, do not outweigh the scientific judgment of the ISRP. The Council also notes that the project has had only two years of returns, not enough time to determine the habitat use and dynamics of the population or the utility of the investment.

Funds for the ongoing project would come from the base budget allocation for these provinces.

Columbia Cascade Province

Background and Process

After receiving the final report of the Independent Scientific Review Panel (ISRP) and the recommendations from the Columbia Basin Fish and Wildlife Authority (CBFWA), the Eastern Washington Council office hosted a series of meetings with proposal sponsors to develop a consensus set of proposal recommendations for the Council that fit within the budget allocated for this province. As has been the case in other provinces, there were more proposals that met the ISRP review standards and were also rated as "High Priority" by CBFWA that could fit within the \$4.094 million budget allocation for the province (there was approximately \$14 million in proposals for Fiscal Years 2003 and 2004 and \$11 million in projects for Fiscal Year 2005 that were rated as "Fundable" by the ISRP and "High Priority" by CBFWA).

The prioritization meetings for the Columbia Cascade province were focused on the fish and wildlife managers within the province -- the Confederated Colville Tribes, the Yakama Indian Nation, and the Washington Department of Fish and Wildlife. While these were the primary participants in the process to reach a proposed package that fit within the allocated budget, those entities, as well as Washington and central office Council staff worked to ensure that projects sponsored by other entities were fairly reviewed and considered. This effort to ensure due consideration was benefited by the participation of these entities in the Upper Columbia River Salmon Recovery Board process, and their familiarity that they have with other participants and projects that are also part of that state process. The Council believes that the inclusion of proposals in the package that were sponsored by others shows the good-faith effort made in this prioritization exercise to include proposals sponsored by non-fish and wildlife entities.

General Issue 1: Budget available to the Columbia Cascade province

As noted in the Background section above, a group of proposals supported by both ISRP and CBFWA that approximated \$14 million was pared down to the \$4.094 million budget allocation for the province. The sponsors argue that the budget allocation for the Columbia Cascade may be too small to meet even the highest management priorities in an expeditious manner. The fish and wildlife managers prioritized a second block of projects to more fully meet immediate management needs over the funding period that would add approximately \$2.2 million in each fiscal year. That "Part 2" part of the package may be modified as the sponsors continue to work among themselves and with Bonneville. In fact, recent discussions between the Confederated Colville Tribes and Bonneville indicate that there are three additional projects that Bonneville might support are not on the Part 2 table that you have here. Those are project 29007 (*Okanogan Kelt Reconditioning*); 29042 (*Selective Fish Collection and Harvesting Gear*); and 29051 (*Develop Local Okanogan River Steelhead Broodstock*). All of these projects have potential ESA/BiOp applicability.

Council Recommendation: The Council made a funding recommendation decision on the within budget (Part 1) portion of the package at the September 2002 meeting in Spokane. The Council did not decide, at this time, to recommend funding for the Part 2 portion of the package

developed by the province group. Rather, it may be that the Council recommends funding for that Part 2 portion after the amount available in the Bonneville unallocated placeholder is firmly established, and when other additional funding requests from throughout the region are developed. Further, CBFWA is discussing options for allocating remaining funds in the unallocated placeholder but has not made a firm proposal, and that guidance should be useful to the Council and Bonneville.

Project Issue 1: Yakama Nation Project 19960400, *Evaluate the Feasibility and Risks of Coho Reintroduction in the Mid-Columbia.*

This ongoing project is a significant management priority of the Yakama Nation. It is substantial, requesting approximately \$2.2 million for both Fiscal Years 2003 and 2004 and \$2.3 for Fiscal Year 2005. The goal of this project is to determine the feasibility of re-establishing naturally spawning coho populations in mid-Columbia basins, while keeping adverse ecological impacts within acceptable limits. This project is being developed in two-phases. Phase I is experimental as it evaluates ecological interactions, survival through the system and reproduction success. Phase II will focus on production and restoration activities. The project has been funded since 1996, with experimental work beginning in 1998. It is a feasibility study, with detailed planning, test introductions, monitoring of return rates, and special studies of interactions of the newly introduced coho smolts with existing populations of steelhead and chinook salmon, some of which are ESA-listed.

CBFWA rated the proposal as "High Priority" and Bonneville gave the proposal a "B" rating, commenting that it had questions related to the implementation status of the project (is it moving beyond a feasibility test?).

The ISRP rated this project as "Fundable in Part", but also stated that this was one of two projects that rose above the others in the province because of its potential to add significantly to the numbers of adult salmon returning to the Columbia River and its straightforward efforts to restore salmon to areas from which they have been extirpated, with high likelihood of success.

The "Fundable in Part" rating was provided because the Panel did not believe that the proposed genetic work was a necessary component. Specifically, the genetic monitoring and analysis (Section 7, Objective 1, *continue to evaluate trends in project performance indicators to assess the feasibility of successfully reintroducing coho in the Wenatchee and Methow subbasins*; task (f), *Evaluate the reproductive success of naturally spawning hatchery and naturally produced coho salmon in order to determine if reproductive success is likely to limit project success at \$209,200*) and the proposed cryogenic components (Section 7, Objective 3, *Evaluate the ability of the lower Columbia River donor coho stocks to adapt to local conditions in the Wenatchee and Methow sub-basins*; task (a) *Monitor divergence between lower Columbia River hatchery stocks and Program stocks with regard to genetic and life history characteristics at \$55,000*), of the proposed work are not recommended for by the ISRP for funding as they believe these elements are not justified due to the non-native origin of the coho reintroduction stock.

The Yakama Nation has agreed to eliminate its funding request associated with Section 7, Objective 1 task (f), based on the ISRP comments. However, the sponsor believes that the activities under Objective 3 task (a) are important to the success of the project and have requested that it be retained as part of the proposal.

Council Recommendation: Fund this ongoing project following the guidance of the ISRP. The tasks defined in Section 7 (Objective 1, task f and Objective 3, task a) are not recommended for funding. This would reduce the project budget by \$264,200. The Council recommends funding the project at \$2,140,809 in Fiscal Year 2003. Finally, The Council staff will meet with the sponsor and work to ensure that it addresses the ISRP issues as well as Bonneville's concerns about the possibility that the project was moving beyond a feasibility state before the three-step process permitted.

Project Issue 2: *Colville Confederated Tribe Project 199604200 Restore and Enhance Anadromous Fish Populations and Habitat in Salmon Creek*

This is a comprehensive restoration project sponsored by the Confederated Colville Tribes developed in concert with a number of other participants. The project seeks substantial funding commitments (revised five year estimate of over \$6 million).

CBFWA rated the project as "High Priority", Bonneville provided a "B" rating, stating that only bridge funding should be provided to allow the NEPA process to be completed, with a reevaluation of project priorities and goals before making additional commitments.

The ISRP ranked this project a "Do Not Fund". The ISRP review comments were very critical. The Panel stated that "the potential benefits to the Salmon Creek steelhead and spring chinook population from this very expensive proposed project are minimal at best" and that "the proposal is unjustified on the basis of small numbers of fish expected to be produced (in the low hundreds of returning adults based on the oral presentation, but not discussed in the proposal) when compared to the vast amount of effort and resources (\$17 to \$20 million, plus \$500,000 annual operation and maintenance costs) required to restore the highly degraded habitat (dewatered for the lowest four miles, etc.) and the uncertainty of intended results".

NOAA Fisheries stated there is an association of this project to the Biological Opinion for the Federal Columbia River Power System through RPA 500, though they raise questions regarding costs and the perusal of other alternatives.

Council Recommendation: Given the very serious concerns expressed by the ISRP, the Council is recommending a limited and phased approach to moving forward with commitments to this project. The staff and Confederated Colville Tribes agree that the NEPA process, currently in its initial stages, should yield important information that will help the Council and sponsors decide if the anticipated costs of this project are justified by the potential fishery benefits.

As the NEPA process goes forward, there are some continuing administrative and coordination elements of this project that the staff recommends supporting. The Council recommends establishing a placeholder in the amount of \$365,819 for FY 2003, \$378,257 for FY 2004 and \$391,117 for FY 2005 for these activities. These amounts are based upon the Council's funding recommendations for Fiscal Year 2002. The funding should be utilized as follows: \$185,790 for support of water conservation and leasing efforts with the Okanogan Irrigation District; and

\$168,000 for the following sub-elements: \$40,000 for OID Partnership Expenses, \$118,000 for OID Water Leasing and \$10,000 for OID On-farm Water Conservation).

No new funds are needed for the Colville element of the NEPA work that must be completed. The Council understands that the non-NRCS element of planning and design work and the EIS document will be completed with the funds approved by the Council in FY 2001.

The Council recommends that the interim funds identified above be put in a placeholder. Release of the funds would be *conditioned on Council and Bonneville review of the project current scope and alternatives being evaluated through NEPA*. Consistent with the Council decision in Fiscal Year 2001, Bonneville and the Council need to determine whether the EIS and design work should be continued. This decision should take into account and be based on review of the NEPA scoping documents and the IEAB report (Document IEAB 2001-2). This review needs to be scheduled with Bonneville and the sponsors immediately. The purpose of putting even the administrative and coordination funds in a placeholder until Bonneville, the Council, and the sponsor meet to discuss NEPA scope is to underscore the importance the Council attaches to having this meeting, and to ensure that the meeting is scheduled just as soon as possible.

Once the Council and Bonneville meet to discuss NEPA, the funds in the placeholder will be authorized for use until the project is addressed as part of the step review (which will include an IEAB review of all feasible alternatives). That step review will be linked to the completion of the Draft Environmental Impact Statement, currently scheduled to be completed in June 2003. The step submittal needs to include an extensive delineation of the cost share components of the project. Any future funding (including FY 2005 and out-years) for this project is dependant on a favorable step review and the identification of available funding sources.

Project Issue 3: New proposals prioritized by the Columbia Cascade fish and wildlife managers to fit within the province allocation

After working with existing projects, additional funds remained within the province allocation. The prioritization group sought to add projects that advance their most pressing management objectives and also had broad support from the ISRP, CBFWA, Bonneville, and NOAA Fisheries for ESA needs. Three of the four projects proposed have across the board support from the entities that reviewed the proposals:

- (a) Project 29040 *OK-11 Develop and Propagate Local Okanogan River Summer/Fall Chinook* (supported by ISRP, CBFWA, Bonneville; no ESA applicability),
- (b) Project 29026 *Hanan-Detwiler Passage Improvements* (supported by ISRP, CBFWA, Bonneville, NOAA - RPA 149), and
- (c) Project 29027 *Comprehensive Inventory and Prioritization of Fish Passage and Screening Problems in the Wenatchee and Entiat* (supported by ISRP, CBFWA, Bonneville, NOAA - RPA 149, 154).

The fourth project is 29033 *Design and Conduct Monitoring and Evaluation Associated with the Reestablishment of Okanogan Basin Natural Production*. (supported by ISRP, CBFWA and NOAA-RPAs 182, 184). Bonneville was the long dissenter, rating the project as a "C" and suggesting that this be deferred until after subbasin planning. The sponsor reports that recent discussions with Bonneville may yield a more favorable rating for this project. In any event, the Confederated Colville Tribes states that this project is critical for meeting its overall management objectives for the Okanogan subbasin.

Council Recommendation: The Council recommends funding for these four new projects at the levels identified in the attached projects table. These projects represent the highest priorities of the group working in the Columbia Cascade province. The ISRP supports each project, and two of the projects add ESA applicability as determined by NOAA Fisheries. The Council does not believe that deferring projects pending completion of a regional RM&E plan is appropriate given what appears to be the difficulty and delay the region, and particularly the federal agencies leading the effort, are having in making progress in that area.

Project issue 4: New proposals that address management priorities that cannot be funded within the province allocation that was made available.

The Columbia Cascade prioritization group strongly believes that ESA, NWPAs, and Trust and Treaty obligations and management priorities cannot be achieved in a timely way with the budget available to the province. To more fully (but still not completely) address those needs, the group prioritized a second tier of proposals -- twelve total -- that it believes merit funding. Those are identified in Part 2 of the attached table.

As can be seen in the projects table, each of the proposals was rated as "Fundable" or at least "Fundable in Part" by the ISRP. All but one of the proposals (WDFW - SSHIAP) was rated by CBFWA as a "High Priority." NOAA Fisheries identified nine of the proposals as having ESA applicability. Bonneville rated two of the proposals as "A", and the ten others as "C" noting in every case that it preferred deferring until subbasin planning is completed.

Regarding the Bonneville comments, the Colville Tribe reports that it had a meeting with Bonneville representatives on September 3, 2002 to discuss many of these proposals, and to seek clarification and justification for its ratings and comments. While we have no official documentation as of this writing, the Colville representatives report that Bonneville indicated that it might reevaluate and re-rate some of these proposals.

Council Recommendation: The Council understands this "Part 2" project package to be something of a "preview" of the proposal that the Columbia Cascade sponsors will make for additional funding for the province. There are ongoing discussions about the amount of funding that will remain in the Bonneville unallocated placeholder after the provincial review cycle is completed, and how those remaining funds may be used. The Council anticipates that a regional discussion will take place about the disposition of those funds, and this package is a possible proposal that will come from this area of the basin.

Middle Snake Province

Background and Process

The Idaho Office of Species Conservation along with the Idaho Council Office have hosted a series of meetings of project sponsors in the Middle Snake Province to attempt to establish a consensus priority package of projects that can be recommended to the Committee and Council. The Middle Snake group has convened three in-person meetings and one teleconference to deal with this prioritization exercise.

The projects recommended in this package enjoy the consensus support of the Idaho Department of Fish and Game, Nez Perce Tribe, Shoshone-Paiute Tribe, Shoshone-Bannock Tribe and the Burns Paiute Tribe. Further, the Council and Idaho Office of Species Conservation staffs assisted these local project sponsors to arrive at this package. This within-budget package was arrived at through much work and compromise, including the trimming and deferral by all sponsors of projects that are management priorities. It should be noted that the sponsors identified above are in agreement that the allocation that was made available to the Middle Snake province was not adequate to meet their management needs for this Fiscal Year 2003 through 2005 period. There are projects and portions of projects that are management priorities that were supported by the ISRP and CBFWA that could not be funded because of budget constraints. The Council staff have represented that these sponsors can seek additional Bonneville funding from the unallocated integrated program placeholder in the future, and that the request for additional funds to more fully meet their management needs could be reviewed and evaluated along with similar requests from throughout the basin.

General Issue 1: Base budget allocation to include O&M costs from the Southern Idaho Wildlife Mitigation Program (SIWM).

Last fall, the Council set funding allocations for all of the provinces yet to be reviewed. The allocations were based on the cost to fund the existing commitments to projects that had been approved by the Council and contracted for by Bonneville through Fiscal Year 2001. In making this "base allocation" determination, significant one-time expenditures, primarily capital, were eliminated from the calculation so that an artificial "spike" coming from one-time expenditures within a province would not artificially raise what could be thought of as the "continuing services" budget.

Once the base allocation for each province was calculated, the percentage of the \$127 million annual direct program budget being committed to each province was determined. Finally, the province allocations were set by increasing the continuing services base budget funding in each province by that same percentage of the increased direct program funding made available by Bonneville in the newest rate period (\$186 million). The goal of developing these base budgets for each province was to determine what funding was required to maintain the investments already made, and to allow increased funding opportunities in for each province commensurate with historical expenditures in the province.

When the Middle and Upper Snake River Province allocations were established, the Council staff included only the expenditures related to operations and maintenance and monitoring and evaluation attached to the Southern Idaho Wildlife Mitigation Project (this project is implemented in both the Upper and Middle Snake provinces). This is because those operations and maintenance and monitoring type expenditures are the ongoing annual cost for preserving the investment in the properties that had been acquired to date. The amount of the original, and any subsequent, commitments for land acquisitions were viewed as one-time capitalizations of the umbrella program and were not included. Similarly, past expenditures for planning and design and coordination/administration associated with locating properties for possible acquisition were not included as base "continuing services" costs.

The project sponsors for the SIWM are the Idaho Department of Fish and Game, the Shoshone-Bannock Tribe, and the Shoshone-Paiute tribes. The sponsors met with Council staff and Bonneville staff to discuss funding for the SIWM, and how the SIWM was treated for fixing the allocation for the province. One of the sponsors' concerns was that the Council did not include all of the appropriate existing costs for operating and administering the project. The sponsors do not believe that historic planning and design costs should have been excluded from the base, and do not believe that projected capital needs for additional land acquisition should have been excluded from the base. The Council position is that these planning and design expenditures and future capital needs are not past investments that require continued funding to maintain, which is what the "base budget" concept is grounded on. Said another way, past planning and design, and future acquisitions are not "built plant" that require continued base funding to maintain operational. The Council recognizes that this puts the SIWM sponsors in the position of having to prioritize putting additional capital funds into the project over other project, new and ongoing, but this is the nature of a prioritization exercise.

The Council staff asked Bonneville to look to the existing contracts, statements of work, and invoices to document the correct level of operations and maintenance and monitoring and evaluation costs for this project. The figures used by the Council for establishing the start of year budget and base allocations for the Upper Snake and Middle Snake Provinces approximated \$628,000 for operations and maintenance and monitoring and evaluation. The product of the sponsor and Bonneville review showed that another \$104,000 in costs related to administering the O&M and M&E portions of the project should have been included. The Council recommends adding that \$104,000 for the SIWM project, and also recalculating the province allocation with this additional amount in the base budget.

Council Recommendation: The Council recommends that \$732,000 be used as the budget figure for operations and maintenance and monitoring and evaluation for the SIWM project. The sponsors have apportioned this amount across the two provinces -- \$157,000 for the SIWM in the base budget for the Middle Snake Province, and \$575,057 for the SIWM in the base budget for the Upper Snake Province.

For the reasons discussed above, the Council does not support further modifying the province base budget allocation by including past planning and design or future capital need expectations as part of the base budget.

With the corrections discussed above for the SIWM, the Council recommends a corrected budget for the Middle Snake province of \$ \$2.431 million for Fiscal Year 2003 (\$1.815 million "base" plus a \$615,328 increase for the province's pro rata share of the increased Bonneville commitment in this rate period).

Project Issue 1: *Southern Idaho Wildlife Mitigation Project*

As noted in the general issue above, only the operations and maintenance and monitoring and evaluation elements of this project were considered existing ongoing work for establishing the base budget for the province. This is also the base amount that the staff attached to the project for Fiscal Years 2003 through 2005 (with 3.4% increases in each year). The project sponsors have argued that additional administrative (such as planning and design) and capital costs should have also been considering "ongoing" and considered as base costs for setting the province allocation, and those additional amounts should also have been attached to the project for Fiscal Years 2003 through 2005.

The basic position of the sponsor is that the SIWM is an existing and ongoing wildlife mitigation program, and the needs anticipated by the sponsors for this project over the period covered by this provincial review exceed the base O&M and M&E budget (approximately \$732,000) that have been attached to the project. The sponsors describe these needs to include new acquisitions, administration, and O&M on new acquisitions. The Council staff advised the sponsors that new acquisitions, administrative costs relating to securing new properties, and O&M on new acquisitions are new work that should be prioritized on equal footing with all other new work proposed within the province.

The parent SIWM project continues to have approximately \$3.7 million in carry-forward funding from past years. In addition, IDF&G has approximately \$172,000 carry-forward under an administrative contract; Shoshone-Bannock has approximately \$89,000 carry-forward in an administrative contract; and the Shoshone-Paiute has approximately \$50,000 carry-forward in an administrative contract.

Second, the Council understands that some of the specific parcels that have been acquired to date will require some O&M funding for *Fiscal Year 2002*. While many of the properties have carry-forward funds available to cover the final few months of FY 2002, there are some newly acquired properties that do not have any FY 2002 funds for O&M and do require some work in the next few months. A preliminary meeting with the sponsors, and based on a spreadsheet provided by Bonneville shows that there are three parcels that will require, in total, approximately \$20,000 for O&M needs during these last few months of Fiscal Year 2002.

Council Recommendation: The Council recognizes that this part of the basin is lagging behind others in addressing wildlife mitigation for the wildlife losses that have been documented. The Council also recognizes that the SIWM is a project that is relatively new and is in its "ramp-up" in terms of securing properties and developing plans for them. As such, the historical spending commitments that were used by the Council to establish budgets for the FY 03 through FY 05 period do not reflect where the sponsors had hoped and planned to be in those and future years.

The sponsors have said that the carry forward funds available for acquisition will soon be spent on properties that are "in the pipeline," and once those are gone, a funding approach that supports only O&M puts this mitigation program in a holding pattern for the next three years, doing little to continue forward progress towards mitigating for losses that have been documented as Bonneville's responsibility.

The sponsors have asked the Council if an exception should be made to the basic concepts that were used to set budget allocations for provinces and projects in order to allow the SIWM to grow more quickly than is possible within the budget allocation that has been set for the provinces. The Council recommendation here does not support that request. Rather, the recommendation is that the project should utilize what seem to be the substantial carry-forward contract balances for new acquisitions, as well as the administration and subsequent O&M related to them. With the carry-forward balances on hand, and the \$732,000 dedicated to the project in each fiscal year in this funding cycle, this project has approximately \$6.2 million dollars for Fiscal Years 2003 through 2004. The sponsors state that much of the carry-forward will be spent in the near future with projects that are "in the pipeline." If that is the case, the within year reallocation process is the appropriate venue for seeking additional capital funds for additional acquisitions in this funding period.⁶ That proposal could be evaluated against other regional priorities (Estuary, Columbia Cascade, capital needs, etc) for possible funding with general unallocated funds.

The recommendation is that the project be funded in the Middle Snake province at \$157,000 for Fiscal Year 2003, with \$78,500 to the IDFG and \$78,500 to the Shoshone Paiute Tribe. Those figures would be increased by 3.4% in each of the following two fiscal years.

The Council recommends that Bonneville provide a relatively small amount of funds (\$20,000) required for O&M on three newly acquired parcels for needs in the remainder of Fiscal Year 2002. The Council staff will work with Bonneville and the sponsor to confirm the exact costs.

Project Issue 2: Burns Paiute Tribe ongoing projects 20000900 -- *Logan Valley Wildlife Mitigation Project*; and 200002700 -- *Malheur River Wildlife Mitigation Project*.

Both of these ongoing projects were rated as "Fund in Part", with the ISRP supporting the O&M components. Bonneville comments support funding for each ("A" ratings) with the condition that the ISRP concerns about monitoring and evaluation are addressed. CBFWA rated both as High Priority.

⁶ It is worth noting that if the existing capital fund of \$3.7 million will soon be spent on projects that are currently subject to transactions that will be imminently completed, the argument for additional planning and design funds is even more difficult to understand. If these projects are near closing, it would seem that planning and designing (appraisal, due diligence, legal, negotiation and administration time, etc.) should be largely completed. Moreover, what would the project be planning and designing for if the \$3.7 million on hand in capital funds is actually spent soon? If the sponsors group had prioritized additional capital funds for the SIWM over existing and new projects, it would follow that there would be some planning and design costs that go with determining how to use those capital funds. However, that did not happen. The group supported continuing existing work and starting new work with remaining funds.

Many of the objectives and tasks outlined in the in Section 2 (Budget for Planning & Design phase), and Section 5 (Budget for Construction/Implementation phase) should appropriately be defined under Section 6 (Budget for O & M phase). The Council staff worked with the project sponsor to make these corrections. In addition, after the proposals were submitted additional needs have been defined due to the recent acquisitions and implementation of the management plans associated with the projects. Finally, and again after the original proposals were developed, the complexity of the acquisitions have required additional effort beyond that originally anticipated, especially as it relates to the grazing allotments associated with the state and BLM lands (total of 38,377 acres). Bonneville has realigned the budgets of the project to protect the acquisitions.

Council Recommendation: The Council recommends funding these ongoing proposals with the following modifications and conditions:

Project 2000-009-00 - Shift objectives and tasks in Sections 4 and 5 to Section 6 (per September 3, 2002 letter from BPT to the Council). Consolidate appropriate objectives and tasks. During contracting Bonneville and the sponsor should ensure that objectives currently defined in Section 5, objective 2, task (a) is appropriate for O & M support. Funding for Fiscal Year 2004 and 2005 are conditioned on the approval of an M & E plan to be submitted by the sponsor and reviewed by the ISRP. Funding to remain at \$146,842 for Fiscal Years 2003 through 2005.

Project 2000-027-00 - Shift objectives and tasks in Sections 4 and 5 to Section 6 for a total budget of \$285,000 for Fiscal Year 2003 (per July 29, 2002 meeting discussion and August 19, 2002 letter from BPT). The M & E funding in the proposal in FY 2004 and 2005 at \$30,000 is conditioned on the approval of an M & E plan by the ISRP. Project funding for Fiscal Years 2004 and 2005 are conditioned on the approval of M & E plan and will be increased by 3.4 % each of those years.

Project Issue 3: Burns Paiute Tribe ongoing project 199701900 *Evaluate Life History of Native Salmonids in the Malheur Basin*

This project was rated "Fund in Part" by the ISRP. The ISRP supported wrapping up the work, noting that it seems to have been quality work that has gathered the information necessary and drawn solid conclusions. The United States Fish and Wildlife Service and sponsor believe that additional work needs to continue. The USFWS has provided a letter supporting the project as fully proposed, and states that this work could be important for Recovery Planning purposes. Bonneville gave the project a "B" rating, and indicated that it is not yet convinced that there is an FCRPS linkage to the project.

Council Recommendation: Because the ISRP comments were not critical of the work or its conclusions, and the USFWS believe that the work has ESA utility, the staff recommends support for this ongoing project. Bonneville has apparently found the FCRPS connection that it requires for funding this project to date, and this should not be an issue in light of that history. Funding would be \$324,401 in Fiscal Year 2003 and increased by 3.4% in each of the next two fiscal years. The province prioritization meetings demonstrate that the project remains to be a priority of the Middle Snake River province sponsors.

Project Issue 4: Shoshone Paiute Tribe project 199701100 *Enhance and Protect Habitat and Riparian Areas on the DVIR*

The ISRP rated as "Not Fundable" because of M&E element concerns. The province group and Council support continuing O&M to maintain past investment. The Council has advised the sponsor that the planning and design and construction and implementation funds requested cannot be provided unless and until needs until an M&E plan is reviewed and found acceptable by the ISRP. Council staff and the project sponsor are discussing a timeline for development and review of a reworked M&E plan for the proposal.

Project Issue 5: Shoshone Paiute Tribe project 200007900 *Assess Resident Fish of the Owyhee/Bruneau Basin*

The ISRP rated the project as "Not Fundable." The sponsor agrees to wrap up project, and requests \$150,000 for Fiscal Year 2003. Upon completion of the analysis, the deliverable is a final report entitled Assessment of Stock Status on the DVIR. The report is to be provided the Council and Bonneville in the summer of 2004. Streamnet should also be provided the report. The Council recommends funding the wrap-up and reporting for this project.

Project Issue 6: Idaho Department of Fish and Game project 199800200 *Snake River Native Salmonid Assessment*

The ISRP provided a "Fundable" recommendation stating that the project would have high benefits to fish. In addition they stated that it was an exceptional proposal in virtually all respects, and was well written and provided excellent and compelling links to the Program.

Bonneville rated the project a "B" and comment on not funding the project since it may not be linked to the FCSPS. The sponsor points to the operation of Black Canyon, Anderson Ranch and Boise Diversion resident fish.

Council Recommendation: The original FY 2003 budget requested was \$346,375, which included genetics work identified in Objective 4, task b. In an effort to reach a balanced budget for the province the sponsors realigned and prioritized elements of this project and choose to reduce the budget. This realignment would result in a total project budget in FY 2003 at \$311,375, FY 2004 at \$320,302 and FY 2005 at \$320,806. The Council recommends funding the project at these levels.

Project Issue 7: New projects that were prioritized by the Middle Snake province group

The sponsors in the province have proposed four new projects to utilize the funds within the Council's province allocation that remains after the existing projects discussed above have been funded.

(a) IDFG/OSC/et al -- 32011 (*Mitigate for marine derived nutrient loss in Boise R.*) (\$30,000 in Fiscal Year 2003 and no funds in Fiscal Year 2004 and 2005)

The ISRP rated this project as "Fundable" and CBFWA rated it as "High Priority." Bonneville gave the project a "D" rating, stating that the regional agreement regarding Bonneville's responsibility for such projects above Hell's Canyon Dam that were called for in the Council's 1995 program have not been achieved. Bonneville questions if the project is within the scope of its obligations under the Act.

Responding to Bonneville's comments about a linkage to hydrosystem projects, the sponsor points to projects in the Boise-Payette-Weiser subbasin affecting anadromous and resident fish passage, bull trout populations, and associated watershed nutrient budgets including the Boise Diversion, Anderson Ranch and Black Canyon projects (and several others).

Council Recommendation: The project was made a consensus priority by the province group. The Council does not believe that the failure of the region to respond to the Council's request in its 1995 program to reach an agreement about Bonneville's responsibility above the Hell's Canyon complex is sufficient basis for a deferral -- Bonneville was one of the primary parties that was called upon to engage that discussion, and could have done so, but did not. In any case, the sponsor has demonstrated a plausible link to federal projects for which Bonneville has acknowledged at least partial resident fish responsibility.

The Council recommends limited funding for this project. Funds should be provided to address Section 4, objective 1, tasks 1, 2 and 3 at \$18,000 (e.g. NEPA and site selection) and Section 7, Objective 3 at \$12,000 (i.e. baseline monitoring) totaling \$30,000 for Fiscal Year 2003 and no funds for Fiscal Year 2004 and 2005. Future funds for implementation are dependent on subsequent reviews.

(b) Burns Paiute Tribe -- 32016 (*Assess the feasibility of the Upper Malheur Watershed to support the reintroduction of anadromous populations above the Beulah & Warm Springs Reservoir*) (approximately \$49,000 in Fiscal Year 2003 and \$130,000 in Fiscal Year 2004)

The ISRP rated this project as "Fundable" as a planning and prioritization action. CBFWA rated it as "High Priority." Bonneville rated the project as a "D", stating that the regional agreement regarding Bonneville's responsibility for such projects above Hell's Canyon Dam that were called for in the Council's 1995 program have not been achieved. Bonneville questions if the project is within the scope of its obligations under the Act.

The sponsor states that anadromous fish were present in the investigation area before migration blocking hydroprojects were constructed, and does not believe that the option of reintroducing anadromous populations should be foreclosed for all time and that this feasibility study would yield important information for developing long-term objectives for subbasin planning.

Council Recommendation: The Council recommends modest funding for this project. The project was made a consensus priority by the province group. The staff does not believe that the failure of the region to respond to the Council's request in its 1995 program to reach an

agreement about Bonneville's responsibility above the Hell's Canyon complex is sufficient basis for a deferral -- Bonneville was one of the primary parties that was called upon to engage that discussion, and could have done so, but did not. The Council does not believe that Bonneville's funding of a feasibility project predisposes it to fully funding the actual reintroduction efforts should those ever come to pass. Bonneville's historic position that its anadromous mitigation responsibilities were absolved when Idaho Power Company owned projects eliminated anadromous passage presumes and relies upon the scenario that passage will never be restored past those projects. However, if anadromous fish are ever reintroduced to that area, it seems reasonable to believe that federal hydroprojects on the Snake and Columbia Rivers will impact these populations and Bonneville will have obligations under the Act to mitigate for those impacts. The Council does believe that this relatively modest expenditure for a two-year study would aid subbasin planning efforts in the area.

(c) Shoshone Paiute Tribe -- 32008 (Wildlife Inventory and Habitat Evaluation of Duck Valley Indian Reservation) (\$127,461 in Fiscal Year 2003, \$120,010 in Fiscal Year 2004 and \$23,869 in Fiscal Year 2005).

The ISRP rated this project as "Fundable at a high priority", and CBFWA rated it as "High Priority." Bonneville rated the project as "C", stating that the regional agreement regarding Bonneville's responsibility for such projects above Hell's Canyon Dam that were called for in the Council's 1995 program have not been achieved. Bonneville questions if the project is within the scope of its obligations under the Act.

The sponsor states that this is the nature of the work that the ISRP stated was important and necessary in its reviews in prior years.

Council Recommendation: The Council recommends funding this project. Again, this is a project that remained a priority of the province managers within the limited budget. The Council does not believe that the failure of the region to respond to the Council's request in its 1995 program to reach an agreement about Bonneville's responsibility above the Hell's Canyon complex is sufficient basis for a deferral -- Bonneville was one of the primary parties that was called upon to engage that discussion, and could have done so, but did not.

The Council believes that this sort of inventory work is exactly the type of information that would assist the Shoshone Paiute tribe, Bonneville and others, in determining if, where, and how much hydrosystem construction and operation impacted fish and wildlife in the area that would contribute to a discussion and resolution of Bonneville's obligations under the Act in this part of the Columbia basin. Further, the ISRP provided extra emphasis in its support of this project stating that it should proceed as a high priority.

(d) NPT -- 32003 (*White Sturgeon put, grow, and take fishery feasibility assessment, Oxbow/Hells Canyon reservoirs*) (not funded in Fiscal Year 2003, \$306,800 in Fiscal Year 2004 and \$246,000 in Fiscal Year 2005).

This proposal was rated as "Fundable" by the ISRP and as "High Priority" by CBFWA. Bonneville rated the project as a "D", and points to comments it offered during the 1995

amendments to the Council's fish and wildlife program questioning Bonneville responsibility for this sort of project.

The proposal is offered as an off-site mitigation proposal. That is, the sponsor states that construction and operation of federal projects on the Columbia and Snake Rivers detrimentally impacted sturgeon populations diminishing tribal fishing opportunity. This proposal mitigates for those impacts by assessing the possibility of restoring harvest opportunity for sturgeon in an alternative area above Hell's Canyon.

Council Recommendation: The Council recommends funding the proposal. This proposal is related to an explicit fish and wildlife program measure 10.4A recommending a study for a sturgeon fishery off-site mitigation feasibility study in this area. The proposal is new, but it is related to a predecessor proposal that was withdrawn in light of ISRP concerns. As such, it does have a connection to past Bonneville investments in investigating such a project.

The Council notes that this is something of a "second try" by NPT for implementing program measure 10.4A. The first effort did not succeed because of scientific criticism, and questions as to whether or not the prior proposal stayed within sideboards established by the program language. The Council believes that this retooled proposal does conform to the sideboards established by the program measure 10.4(A) and the findings explaining the program language. Further, a Council staff memo to the Council (and provided to NPT) dated September 13, 2000 provides an explanation of the history and issues with the predecessor project. The currently proposed project was reviewed by Council staff against the issues within that memorandum, and this proposal is consistent with that guidance. Importantly, the ISRP review and rating of "Fundable" demonstrates that the scientific issues that were raised previously have been satisfied.

With regard to the Bonneville comments questioning if this sort of project is a "ratepayer responsibility", the Council response is that it has joined this issue before and reached its own conclusion that it is appropriate. That is, the simple fact that the 1994 Fish and Wildlife Program included the measure that called for Bonneville to fund this sort of project, and did so over the objections of Bonneville at the time, demonstrates that the Council does believe that the project is appropriate for Bonneville funding. Further, the sponsor emphasizes that this is an "in-kind, off-site" mitigation project that is linked to federal projects below Hell's Canyon. The project sponsor has provided the staff with a comprehensive memorandum addressing the issue of Bonneville responsibility, focusing on these two points. That memorandum will not be duplicated here, but it is available for Council and Bonneville review, and will be considered part of the record for this recommendation.

Upper Snake Province

Background and Process

The Idaho Office of Species Conservation along with the Idaho Council Office hosted a meeting of ongoing project sponsors in the Upper Snake Province to establish a consensus priority package of projects that was recommended to the Committee and Council. In addition to the in-person meeting, teleconferences were part of the prioritization exercise.

The projects recommended in this package enjoy the consensus support of the Idaho Department of Fish and Game and Shoshone-Bannock Tribe. Further, the Council and Idaho Office of Species Conservation staffs assisted these local project sponsors to arrive at this package. This within-budget package was arrived at through much work and compromise, including the trimming and deferral by all sponsors of projects that are management priorities. It should be noted that the sponsors identified above are in agreement that the allocation that was made available to the Upper Snake province was not adequate to meet their management needs for this Fiscal Year 2003 through 2005 period. There are projects and portions of projects that are management priorities that were supported by the ISRP and CBFWA that could not be funded because of budget constraints. The Council staff have represented that these sponsors can seek additional Bonneville funding from the unallocated integrated program placeholder in the future, and that the request for additional funds to more fully meet their management needs could be reviewed and evaluated along with similar requests from throughout the basin.

General Issue 1: Base budget allocation to include O&M costs from the Southern Idaho Wildlife Mitigation Program (SIWM).

The discussion above for the Middle Snake River province General Issue 1 applies here as well. The SIWM project covers both provinces. Once the correct O&M and M&E figure for past work was confirmed as \$732,000, that amount was apportioned between the two provinces. The sponsors have indicated that approximately \$575,057 of the funding should be allocated to the Upper Snake River province.

Council Recommendation: The Council used an O&M and M&E total of approximately \$628,000 for the SIWM when the provincial allocations were set last fall. Bonneville and the sponsors have justified an additional \$104,000, for a total of \$732,000. With these recalculations for the SIWM, the Upper Snake River province allocation is \$1,004,437 (\$750,423 in base ongoing plus \$254,014 in new increased funding).

Project Issue 1: *Southern Idaho Wildlife Mitigation Project*

Council Recommendation: Support funding this ongoing project. In addition to the carry forward balances on existing projects, fund IDFG in the amount of \$287,500 in Fiscal Year 2003 and the Shoshone Paiute Tribe in the amount of \$287,500 in Fiscal Year 2003 for operation and maintenance and monitoring and evaluation needs. Increase those amounts by 3.4% in each of the two subsequent fiscal years.

Project Issue 2: Shoshone Bannock project 199201000 *Habitat Restoration/Enhancement Fort Hall Reservation*

This ongoing project was rated as "Fundable" by the ISRP and "High Priority" by CBFWA. The sole issue to address comes from the Bonneville comments that rated the project as an "A" but with the condition that O&M and M&E and planning only be funded, and that implementation proposed should be deferred until after subbasin planning.

Council Recommendation: The Council recommends funding this ongoing project. Funding would be \$175, 000 in Fiscal Year 2003, and increased by 3.4% in each of the two subsequent fiscal years.

Project Issue 3: New projects that were prioritized by the Upper Snake Province group

The province group reached a consensus that the following new projects were of the highest management priority after funding the ongoing projects discussed above. There are two projects recommended:

(a) IDFG # 33009 (*Improve Yellowstone cutthroat trout recruitment and survival in S. Fork Snake R.*) (\$155,600 in Fiscal Year 2003, \$226,550 in Fiscal Year 2004 and \$230,900 in Fiscal Year 2005)

The ISRP rated this proposal as "Fundable" and CBWA as "High Priority". The ISRP comments found the proposal to be "thoughtful and thorough". Bonneville rated the project as a "C" stating that the 1995 program called for resident fish loss assessments on a project-by-project basis be established, and that this could be done with currently available money that was provided for subbasin planning.

Council Recommendation: The sponsor reports that the project is linked to the Palisades project, for which Bonneville has acknowledged at least partial responsibility. The Council believes that the project should be funded at this time, and does not believe that the subbasin planning budget that was agreed to by the Council and Bonneville contemplated funding a thorough loss assessment for each hydropower facility throughout the Columbia basin as called for in measure 10.1C.1. of the 1995 program.

(b) Shoshone Bannock Tribe # 33010 (*Fish Production Program*) (\$78,850 in Fiscal Year 2003 only)

This is the follow-up proposal to a past, but now-terminated project -- *Joint Culture Facility* (199500600). The ISRP provided a "Not fundable" recommendation for this new proposal. CBFWA technical review reflects similar concerns to those of the ISRP, but provided a funding category was "High Priority".

Council Recommendation: The Council recommends that this project be funded with a modest amount to develop a master plan that will address the principal objective of making a

determination regarding possible hatchery intervention in the conservation of Yellowstone cutthroat trout. The master plan will investigate the potential of using the hatchery property purchased in 1998) (i.e. Crystal Springs site) with Bonneville funds (under the old "Joint Culture" project. It is anticipated that this master plan will address the needs of the species as defined by and taking into account the objectives of the other fishery managers in the area. Funding in Fiscal Year 2003 only, at \$78,850, for the completion of this product. No others funds are recommended at this time.

Draft Lower Columbia and Columbia Estuary FY 2003-2005 Budget: All Projects

Subbasin	ID Title	Sponsor	CBFWA	ISRP	FY 2002 SOY	FY 2003 Revised	FY 2004 Revised	FY 2005 Revised	
Base/ongoing proposals									
Columbia Estuary	199801400	Survival and Growth of Juvenile Salmonids in the Columbia River Plume	NMFS	High Priority	Fundable	1,059,000	1,767,855	1,827,962	1,890,113
Columbia Lower	200001200	Evaluate factors limiting Columbia River gorge chum salmon populations.	USFWS	High Priority	Fundable	246,819	255,211	263,888	272,860
Lewis	200001400	Evaluate habitat use and population dynamics of lampreys in Cedar Creek	USFWS	High Priority	Fundable	191,290	197,742	204,465	211,417
Sandy	199902500	Sandy River Delta Riparian Forest, Wetlands, and Anadromous Estuary Restoration	USFS-CRGNSA	High Priority	Fundable	150,447	155,562	932,000	112,000
Willamette	199107800	Burlington Bottoms Wildlife Mitigation Project	ODFW	High Priority	Fundable	125,041	110,000	97,540	100,445
Willamette	199205900	Amazon Basin/Eugene Wetlands Phase Two	TNC	High Priority	Fundable	510,146	60,650	62,712	64,844
Willamette	199607000	McKenzie River Focus Watershed Program Coordination and Habitat Restoration	MWC	High Priority	Fundable	118,910	122,953	127,133	131,456
Columbia Lower	199306000	Select Area Fishery Evaluation Project	WDFW, ODFW, CEDC	High Priority	Fundable in Part	1,550,836	1,679,564	1,647,085	1,703,086
Columbia Lower	200105300	Re-introduction of Lower Columbia River Chum Salmon into Duncan Creek	PSMFC, WDFW	High Priority	Fundable	420,795	381,671	321,823	294,949

Subbasin	ID	Title	Sponsor	CBFWA	ISRP	FY 2002 SOY	FY 2003 Revised	FY 2004 Revised	FY 2005 Revised
Willamette	199206800	Implement Willamette Basin Mitigation Program	ODFW	High Priority	Fundable	2,708,289	938,500	970,409	1,003,403
Willamette	200001600	Protect and Enhance Tualatin River National Wildlife Refuge Additions	USFWS/USGS	High Priority	Fundable	249,242	91,000	94,094	91,000
Base/ongoing total						7,330,815	5,760,708	6,549,112	5,875,573
Other proposals									
Columbia Estuary	30001	Historic habitat opportunities and food-web linkages of juvenile salmon in the Columbia River estuary: Implications for managing flows and restoration	NWFSC/NMFS	High Priority	Fundable	-	597,559	617,876	606,000
Columbia Estuary	30006	Effectiveness monitoring of the Chinook River estuary restoration project.	Sea Resources	High Priority	Fundable	-	124,804	80,000	80,000
Columbia Estuary	30011	Preserve and Restore Columbia River Estuary Islands to Enhance Juvenile Salmonid and Columbian White-tailed Deer	USFWS & CLT & USGS	High Priority	Fundable	-	585,473	199,250	30,000
Columbia Estuary	30015	Lower Columbia River and Columbia River Estuary Ecosystem Monitoring and Data Management	LCREP	High Priority	Fundable (Qualified - see comments)	-	260,000	800,000	625,000
Columbia Lower	31024	Protect, Enhance and Maintain Wetland, Riparian and Upland Habitat on the Shillapoo Wildlife Area	WDFW	High Priority	Fundable	-	-	253,430	261,880
Grays	30005	Grays River Watershed and Biological Assessment	LCFRB; PSMFC; PNNL	High Priority	Fundable in Part	-	474,734	325,348	336,356
Other total							2,042,570	2,275,904	1,939,236

Subbasin	ID Title	Sponsor	CBFWA	ISRP	FY 2002 SOY	FY 2003 Revised	FY 2004 Revised	FY 2005 Revised
Non-consensus								
Columbia Estuary	30004 Blind Slough Restoration Project - Brownsmead, Oregon	CREST	Recommended Action	Fundable (Qualified - see comments)	-	173,550	5,000	5,000
Columbia Estuary	30016 Implement the Habitat Restoration Program for the Columbia Estuary and Lower Columbia River	LCREP, CREST	Recommended Action	Fundable (in Part)	-	1,000,000	1,034,000	1,069,000
Non-consensus total						1,173,550	1,039,000	1,074,000
PROVINCES TOTAL						8,976,828	9,864,016	8,888,809

Draft Columbia Cascade FY 2003-2005 Budget: All Projects

Subbasin	ID Title	Sponsor	CBFWA	ISRP	FY 2002 SOY	FY 2003 Revised	FY 2004 Revised	FY 2005 Revised	
Base/ongoing proposals									
Okanogan	199604200	Restore and Enhance Anadromous Fish Populations and Habitat in Salmon Creek	CCT	High Priority	Not Fundable	353,700	365,819	378,257	391,117
Okanogan	199609400	Increase sharp-tailed grouse and mule deer populations and enhance shrubsteppe/riparian habitats on the Scotch Creek Wildlife Area.	WDFW	High Priority	Fundable	270,517	279,715	289,225	299,059
Okanogan	200000100	Improvement of Anadromous Fish Habitat and Passage in Omak Creek	CCT	High Priority	Fundable	117,116	121,098	120,000	120,000
Okanogan	200001300	Evaluate An Experimental Re-introduction of Sockeye Salmon into Skaha Lake	CCT	High Priority	Fundable	237,155	18,096	-	-
Wenatchee	199604000	Evaluate The Feasibility And Risks Of Coho Reintroduction In Mid-Columbia	YN	High Priority	Fundable in Part	2,123,009	2,140,809	2,213,597	2,288,859
Base/ongoing total					3,101,497	2,925,537	3,001,078	3,099,034	
Other proposals									
Entiat	29026	HANAN-DETWILER PASSAGE IMPROVEMENTS [Passage/screening project]	WDFW, YSS	High Priority	Fundable	-	85,000	5,000	5,000
Okanogan	29033	Design and Conduct Monitoring and Evaluation Associated With Reestablishment of Okanogan Basin Natural Production [AF	CCT	High Priority	Fundable	-	480,152	763,482	378,343
Okanogan	29040	OK-11 DEVELOP AND PROPAGATE LOCAL OKANOGAN RIVER SUMMER/FALL CHINOOK [AF	CCT	High Priority	Fundable	-	393,500	325,000	185,000
Wenatchee	29027	COMPREHENSIVE INVENTORY AND PRIORITIZATION OF FISH PASSAGE AND SCREENING	WDFW, YSS	High Priority	Fundable	-	277,436	277,436	277,436
Other total						1,236,088	1,370,918	845,779	
PROVINCE TOTAL						4,161,625	4,371,996	3,944,813	

Draft Middle Snake FY 2003-2005 Budget: All projects

Subbasin	ID	Title	Sponsor	CBFWA	ISRP	FY 2002 SOY	FY 2003 Revised	FY 2004 Revised	FY 2005 Revised
Base/ongoing proposals									
Boise	199505701	Southern Idaho Wildlife Mitigation - Middle Snake	IDFG & IOSC	High Priority	Fundable (Qualified - see comments)	157,019	78,500	81,169	83,929
Bruneau	200007900	Assess Resident Fish Stocks Of The Owyhee/Bruneau Basin, D.V.I.R.	Sho-Pai Tribes - DVIR	High Priority	Not Fundable	-	150,000	-	-
Lower Mid-Snake	199800200	Snake River Native Salmonid Assessment	IDFG and IOSC	High Priority	Fundable	272,807	311,375	322,302	320,806
Malheur	199701900	Evaluate The Life History Of Native Salmonids In The Malheur Basin	BPT	High Priority	Fundable in Part	318,000	324,401	333,542	333,542
Malheur	200000900	Logan Valley Wildlife Mitigation Project/ O&M	BPT	High Priority	Fundable in Part	194,536	146,842	146,842	146,842
Malheur	200002700	Malheur River Wildlife Mitigation Project	BPT	High Priority	Fundable in Part as Amended (Qualified - see comments)	190,584	285,000	324,690	335,729
Owyhee	198815600	Implement Fishery Stocking Program Consistent With Native Fish Conservation	SPT - DVIR	High Priority	Fundable	143,009	147,871	152,899	158,097
Owyhee	199501500	Lake Billy Shaw Operations and Maintenance and Evaluation (O&M, M&E)	Sho-Pai Tribes DVIR	High Priority	Fundable	229,082	296,871	304,000	321,000
Owyhee	199505703	Southern Idaho Wildlife Mitigation - Shoshone-Paiute Tribes	SPT-DVIR	High Priority	Fundable	-	78,500	81,169	83,929
Owyhee	199701100	Enhance and Protect Habitat and Riparian Areas on the DVIR	SPT - DVIR	High Priority	Not Fundable	310,200	292,696	302,648	312,938
Powder	199405400	Tools for Managing Bull Trout Populations Influenced by Nonnative Brook Trout Invasions	ODFW	High Priority	Fundable	-	-	-	-
Base/ongoing total						1,815,237	2,112,056	2,049,261	2,096,812
Other proposals									
Boise	32011	Mitigation of marine-derived nutrient loss in the Boise-Payette-Weiser subbasin.	IDFG, WSU, UI, PNW, OSC	High Priority	Fundable	-	30,000	-	-
Malheur	32016	Assess the feasibility of the Upper Malheur Watershed to support the reintroduction of anadromous populations above the Beulah & Warm Springs Reservoir	BPT	High Priority	Fundable in Part	-	49,000	130,000	-

Subbasin	ID Title	Sponsor	CBFWA	ISRP	FY 2002 SOY	FY 2003 Revised	FY 2004 Revised	FY 2005 Revised
Lower Mid-Snake	32003 White Sturgeon put, grow, and take fishery feasibility assessment, Oxbow/Hells Canyon reservoirs.	NPT	High Priority	Fundable	-	-	306,800	246,000
Owyhee	32008 Wildlife Inventory and Habitat Evaluation of Duck Valley Indian Reservation	SPT-DVIR	High Priority	Fundable	-	127,461	120,010	23,869
Other total						206,461	556,810	269,869
PROVINCE TOTAL					1,815,237	2,318,517	2,606,071	2,366,681

Draft Upper Snake FY 2003-2005 Budget: All projects

Subbasin	ID	Title	Sponsor	CBFWA	ISRP	FY 2002 SOY	FY 2003 Revised	FY 2004 Revised	FY 2005 Revised
Base/ongoing proposals									
Headwaters	199505702	Southern Idaho Wildlife Mitigation - Upper Snake	IDFG & IOSC	High Priority	Fundable in Part	287,529	287,500	297,275	307,382
Upper Snake	199505700	Southern Idaho Wildlife Mitigation Program	SBT	High Priority	Fundable	287,529	287,500	297,275	307,382
Upper Snake	199201000	Habitat Restoration/Enhancement Fort Hall Reservation	SBT	High Priority	Fundable (Qualified - see comments)	175,366	175,000	179,000	183,000
Base/ongoing total						750,423	750,000	773,550	797,765
Other proposals									
Headwaters	33009	Improve Yellowstone cutthroat trout recruitment and survival in the South Fork of the Snake River	IDFG	High Priority	Fundable	-	155,600	226,550	230,900
Non-consensus proposals									
Upper Snake	33010	Shoshone-Bannock Tribes Fish Production Program	SBT	High Priority	Not Fundable	-	78,850	-	-
PROVINCE TOTAL							984,450	1,000,100	1,028,665