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Issue summary for Columbia Plateau provincial review decisions

Purpose and construction of this “rolling” briefing document

This document is intended to serve two purposes. First, it is used to provide the Council and the public notice of the issues that attend the proposals for funding in the Columbia Plateau Province. Whenever possible, the memo seeks to present a consensus central and state staff recommendation to the Council for each issue. The memo presents both general issues that apply throughout the province (budgets, BiOp implementation, etc), and issues that relate to specific proposals. The second purpose of the document is to record the rationale for the funding recommendations that the Council will make to Bonneville in such a way that it can satisfy the requirements of 4(h)(10)(D) -- the “Gorton Amendment” -- and provided the reasoned rationale for the Council’s decision making.

As the Council has deliberated over the past several months on the proposals, information continues to come before the Council, with the effect of changing the issues presented. Thus, this “rolling issue memo” has been periodically updated to capture new information and new or additional Council inquiries that are prompted by that information. Updates will be called out in bold as one moves through the memo. By adding in updates and not deleting the older issues or discussion, the document does grow large, but it enables the reader to clearly trace the issues and the Council’s considerations as they have evolved over time. This enables the Council to use the document for its administrative record and legal requirements.

To recap, the first version of this rolling issue memorandum was developed for the July 2001 Council meeting. Updates based on the August, September, and October Council meetings are included and identified.

General Issues:

Issue 1: Assumption of base budget for reference when Council adds or subtracts project funding.

The staff organizes the Council’s review of funding issues by defining a base set of projects that will be the starting point for decisions. As the Council considers the issues in this summary, it will decide whether to add or subtract projects from that base list. As this summary describes each issue, it also includes

the budget effect of each staff recommendation by estimating the amount of funding to be added or subtracted by each decision.

Bonneville's assumptions for its revenue requirements in Fiscal Years 2002 through 2006 include an average funding for its directly funded fish and wildlife projects of \$186 million, compared to the average of \$127 million in 1996 through 2001. In the earlier provincial review decisions the Council staff considered options to build future project budgets through the sequence of provincial review decisions so that the total funding available is not exhausted before the first round of provincial review decisions is completed.

At the Fish and Wildlife Committee meeting in Spokane on May 11, 2001, the staff asked the Committee for guidance in defining the base project list for the Mountain Columbia provincial review. The staff presented an alternative for conducting the initial round of provincial review funding decisions by defining three distinct "tiers" of project budgets that received funding recommendations from both the Columbia Basin Fish and Wildlife Authority (CBFWA) and the Independent Scientific Review Panel (ISRP). The staff proposal would have distinguished new projects from ongoing projects and initially assumed deferral of new projects until the completion of all provincial reviews in 2002.

The Fish and Wildlife Committee asked for an alternative to the staff tiering proposal, that would establish a base-funding package composed of the projects that received "fundable" recommendations from the ISRP and were also designated "high priority" by CBFWA. Part of the reasoning of the Council members was that Bonneville's public commitment at the outset of the provincial review process was to fund a final "unified" plan representing agreed to priorities, including implementation of the Biological Opinion for the federal hydropower system. This issue summary will refer to the projects that received ISRP "fundable" recommendations and CBFWA "high priority" rankings as "*consensus priorities*".

All other projects -- those that did not receive both a "fundable" ISRP rating and a "high priority" ranking from CBFWA -- are classified and summarized under the category "remaining proposals".

Recent funding levels for projects in the Columbia Plateau province were from \$31.7 million in Fiscal Year 1999 to \$28.4 million in Fiscal Year 2001.

The consensus priority projects would call for provincial budgets of \$64.4 million in Fiscal Year 2002, \$49.8 million in 2003 and \$45.8 million in 2004. These budgets are referred to as the "base budgets" in each year.

Update based on August Council meeting and CBFWA review:

At its August meeting in Portland, the Council staff advised the Council that if the full \$64.6 million consensus priority project package were funded, that package along with placeholders needed for subbasin planning and Bonneville program administration would exhaust the funds apparently available for Fiscal Year 2002. As noted in issue 1. above, the Council staff has been assuming that \$186 million would be made available for Fiscal Year 2002. The presentation by CBFWA at the August meeting made clear that the managers did not believe that Bonneville or the Council had officially established that or any other definitive Fiscal Year 2002 budget for it to apply to its Columbia Plateau recommendations. Nonetheless, the Council stated at its August meeting that it did want its staff to treat the \$186 figure as the FY 2002

planning figure, and sought a recommendation on how to proceed with the proposed consensus priority package.

CBFWA reminded the Council that when it originally submitted its Columbia Plateau recommendations on August 3, 2001, Chairman Sando's cover letter asked that if the FY 2002 budget could not accommodate the proposed package, that CBFWA be given an opportunity to review and possibly modify its recommendations. Chairman Sando's August 3, 2001 letter stated:

If there is insufficient funding to fully support the CBFWA recommendation during FY 2002-2004, we request the opportunity to modify our recommendation once a specific budget is identified for each province.

The Council delayed further action on the Columbia Plateau to allow CBFWA to review its funding recommendation in light of the clarification from the Council that it believed that the \$186 figure announced by Bonneville should be used to plan FY 2002 spending.

CBFWA then responded by a September 26, 2001 letter to Chairman Cassidy advising us that CBFWA is unable to do a project-by-project budget review. CBFWA questions whether or not the \$186 million figure announced by Bonneville is the appropriate planning target. First, CBFWA notes that this figure comes from a rate case that is still not completed, and expresses frustration that there seems to have been a Bonneville's policy shift on funding. CBFWA notes that for some time the Bonneville fish and wildlife funding principles stated that it would fund all of its fish and wildlife obligations if captured in a "unified plan" and that it changed that position to the establishment of a \$186 million "cap" for the next rate period. CBFWA believes that this figure "arbitrary", taking the position that the region must first complete a province review cycle to identify what fish and wildlife needs before establishing a final budget. Finally, CBFWA expresses disappointment that the Council has seemingly accepted the \$186 figure as the final word on the Fiscal Year 2002 (and beyond) budget.

As a consequence of uncertainty on both available Bonneville budget and basin-wide fish and wildlife needs, CBFWA recommends that no new projects be funded in the Columbia Plateau (and other provinces yet to be reviewed), and that existing projects be held to no more than a 3.4% increase until:

1. A regional resolution of the available Bonneville budget for Fiscal Year 2002 and beyond is achieved, and;
2. Completion of the first round of provincial reviews establishes the fish and wildlife needs for Fiscal Years 2002 through 2005.

CBFWA notes that this does pose an equity problem, as the Council has approved new projects in the first three provinces. It proposes to do a review of the projects already approved for the Columbia Gorge, Inter-Mountain, and Mountain Columbia to determine if there are projects or project elements that can be deferred beyond FY 2002, if there are opportunities for cost savings, or other actions that would produce savings.

Finally, CBFWA proposes that there can be exceptions to the "freeze" on new projects on a case-by-case basis where projects demonstrate that they address ESA or other high priority needs. If such exceptions

are made, CBFWA asks that the Council and Bonneville document its rationale for making exceptions and providing the reasons for such decisions to CBFWA. CBFWA notes that the new project freeze may leave funds currently available for FY 2002 uncommitted. It requests that those funds be carried forward to future years to meet needs identified in the completed province review cycle.

Staff Recommendation: Part 1 --The Council needs to consider the CBFWA proposal to take part in a regional discussion about the appropriate Bonneville funding commitment for Fiscal Year 2002 and beyond. The Council should consider whether or not now is the best time to have such a discussion, or if perhaps such a discussion would be more productive after the first round of provincial reviews is completed next year.

Staff Recommendation: Part 2 -- Further, the staff proposes to largely accept the CBFWA proposal for a new project "freeze" pending the completion of the first round of provincial reviews. Ongoing projects would be held to their Fiscal Year 2001 budget levels with provision for a 3.4% inflation factor increase. However, the staff does believe that some high priority and ESA projects should be initiated in the Columbia Plateau and remaining provinces as they arise. This is consistent with CBFWA's proposal for an exceptions process for high priority and ESA projects. Issue number 2. below provides a set of principles that would guide such an exceptions process on a case-by-case basis pending the completion of province reviews.

Finally, after a preliminary application of the principles identified below, the staff recommends that the principles that advance the best mix of local fish and wildlife management priorities and ESA related new work be the primary focus of the Council funding recommendations. In order to determine what are in fact the local management priorities given the available budget, the Council and its state and central staff have sought to work with local, state, and tribal managers and officials. For example, in the state of Washington, a collaborative process was used in the Yakima subbasin to develop consensus priorities. In the state of Oregon, local, state and tribal managers and officials have met and communicated over the past several months to craft a priority package that could be funded within the initial budget targets for the Columbia Plateau province.

Staff Recommendation: Part 3 -- Finally, the staff proposed that the exceptions to the general "freeze" to implement new high priority and ESA projects must allow for new work not only in the Columbia Plateau Province, but in those provinces yet to be reviewed, in an equitable manner. In order to provide for an equitable allocation of available Fiscal Year 2002 funds, the staff proposes that the Council's Fiscal Year 2001 funding recommendations for each of these provinces serve as a "base" (with deductions for one-time or short-term capital items that in FY 01 that inflate the "base"). Next, the pro rata portion of the overall FY 01 funding that the "base" figure for each province represents is determined, and the same pro rata share of remaining FY 02 funds is allocated to the province. These figures are shown in Table 3, entitled "FY 2002 example of allocation of available funds to remaining provinces" (table dated October 17, 2001). Based on this pro rata allocation, there would be the potential to fund approximately \$8.85 million in new work in the Columbia Plateau in Fiscal Year 2002 and similar levels in Fiscal Years 2003 and 2004.

Update from October Council meeting:

At its October meeting, the Council responded positively to the staff recommendation Parts 1 through 3 above. As for Part 1 of the recommendation, the Council recognized that there may need to be a more full

discussion, or explanation by Bonneville, of the amount of funding that it intends to make available each fiscal year during the next rate period. However, the Council urged the staff to continue to use the \$186 million planning target that has been presented by Bonneville for working through the Columbia Plateau decisions.

As for Part 2 of the recommendation, the Council agreed that the staff should present a funding package that holds ongoing projects that passed ISRP review and were high priority from CBFWA to Fiscal Year 2001 levels plus 3.4%. The Council urged staff to ensure that any ongoing projects were not adding new tasks or objectives. The Council also asked the staff to apply the funding criteria to new proposals (and new work in ongoing projects) outlined in issue two below to seek to bring the package of proposals within the amount available for the Columbia Plateau, and to present its analysis at the October Council meeting.

With regard to Part 3, the Council agreed that in order to ensure that there remains funds within known available Fiscal Year 2002 funding for provinces yet to be reviewed after the Columbia Plateau is finished, that the pro rata distribution of the funds available was an equitable allocation for the time being.

As you read the project-specific issues in each subbasin section in this document, the staff has estimated a change in the “base” budget as a result of the specific recommendation. This “base” is the new application of the Council’s guidance, meaning that the “base” is the Fiscal Year 2001 budget levels for ongoing projects that were rated as “fundable” by the ISRP and “high priority” by CBFWA plus 3.4 percent increases in each year. However, if the sponsor requested a lesser budget, that request is the basis for the recommended budget.

Issue 2: Proposed criteria for funding Columbia Plateau projects and projects in the remaining provinces.

At the September Council meeting, the staff proposed the a set of seven criteria to establish budgets for Columbia Plateau and the remaining provinces yet to be reviewed. Each of these criteria would be viewed as considerations. That is, a decision to use the criteria would not mean that any and all projects that meet one or more of the criteria would be automatically supported for funding, but rather, that the criteria would be taken into account and inform the Council’s recommendations. In all cases, the Council would continue to consider the ISRP recommendations and CBFWA comments.

The seven criteria fully described in previous versions of this memo are attached as Appendix A. to this memorandum, and the reader should reference that appendix for the full explanation. In summary for the criteria proposed were:

1. As a matter of first priority, maintain adequate funding for the operation and maintenance and monitoring and evaluation of **ongoing projects**;
2. As a second-level priority, provide funding to multi-step or phased **ongoing projects** that are prepared to take the next anticipated and logical step in their development
3. As a second- level priority (co-equal with 2. above) provide funds to **new and ongoing projects** that protect currently productive, high quality habitat, and/or provide connections to historic habitat.

4. Also as a secondary-level priority (co-equal with 2. and 3. above) provide funds to those **new and ongoing** projects that can be shown to respond to Reasonable and Prudent Action Items for which Bonneville has been assigned responsibility.
5. As a second level priority (co-equal with 2., 3. and 4. above) where there are new projects that have been developed and coordinated with a broad coalition of local interests, including, for example, local governments, tribes, state agencies, agriculture interests and others, and there is consensus support, fund the projects
6. As a third- level priority, provide funding for proposed **new** projects that demonstrate that they present an opportunity to protect, mitigate, or enhance fish and wildlife that will be lost if delayed until after subbasin plans are completed (next 1-4 years)
7. As a disfavored category of proposal, the Council will not likely support funding **new or expanded** research initiatives

Update based on September and October Council meetings:

At its September meeting the Council agreed that the above seven criteria would be treated as considerations as it further reviewed the proposals to fit them within the allocation for the Columbia Plateau province. The Council directed its staff to review the applicability of the criteria to those proposals that had been recommended as a high priority by CBFWA and determined to be fundable by the ISRP. The Council did not decide to link its recommendations to a strict application of the criteria.

At the October Council meeting the staff reported its preliminary application of the criteria to the consensus priority projects. The initial conclusion was that there were a sufficient number of new proposals (and new work within ongoing proposals) that met the criteria that they alone could not be used to reduce the Columbia Plateau to its \$8.85 million allocation. Therefore, the Council agreed to focus its recommendations on two of the principles. The first principle being that ESA related new work would be a priority, and the second principle that advanced proposals that represent consensus priorities of local, state, and tribal resource managers. Additionally, the Council members from Oregon and Washington agreed to facilitate discussions in their respective portions of the Columbia Plateau province to help local, state, and tribal resource managers further define local priorities, while putting a premium on new work that is ESA related.

Issue 3. Biological Opinion Implementation

The Council has emphasized integrating Biological Opinion (hereinafter BiOp) with fish and wildlife implementation as one of its highest priorities. On October 2nd, the Council staff received comments from NMFS regarding which projects proposed in the Columbia Plateau may respond to the off-site action items in the BiOp to permit this integration. These comments were received after the public comment period, and delayed the staff's ability to confirm with Bonneville that it would rely upon the projects proposed to meet BiOp needs in this area of the basin. The following elaborates on, and provides context for this main issue.

The BiOp contains "Action Items" that direct Bonneville, the Corps of Engineers, and the Bureau of Reclamation to contribute to various types of activities that can be characterized as tributary habitat actions,

hatchery actions, harvest actions, and monitoring and evaluation efforts. This work is often collectively referred to as the "off-site mitigation" element of the BiOp. The BiOp and All H Paper direct Bonneville and the other action agencies to seek to accomplish the off-site mitigation element of the BiOp. Section 9.3 of the BiOp recognizes that Bonneville has authority to implement programs to benefit listed stocks that are outside of the scope of hydrosystem operations through the Northwest Power Act provisions that permit it to "protect, mitigate, and enhance" fish and wildlife affected by the hydrosystem. The BiOp recognizes that Bonneville does this work guided by the Council's fish and wildlife program and its project selection process.

The Council has made BiOp - Fish and Wildlife Program integration one of its highest policy priorities. That is, the Council has urged the action agencies, and particularly Bonneville, to use the Council's fish and wildlife program and project selection processes as the vehicle to meet its off-site obligations established in the BiOp. The Council has dedicated a substantial amount of time, and the time of its staff, to meeting with NMFS and the action agencies to urge them to use the provincial review to develop, encourage, and/or identify project proposals in the provincial reviews that meet BiOp Action Item needs. Using the provincial review process in this way allows Bonneville to develop unified action plans to meet all of its fish and wildlife obligations. The Council and its staff have repeatedly assured Bonneville that if for some reason the provincial reviews did not yield the projects that they require to meet the BiOp action items, that it would work with them to meet those needs in a timely way in some other process. However, before resorting to special "targeted solicitations" the Council wanted all of the players to make a good-faith effort to use the provincial review process to implement the BiOp.

Integration of BiOp implementation into the provincial review should be very achievable. The off-site mitigation element of the BiOp is specific and limited. For example, for off-site habitat work above Bonneville dam, there are only seven action items in the BiOp. Each of those action items is limited in terms of geography or project type. In the project solicitation letters that went out to begin the Columbia Plateau provincial review (and proceeding reviews as well) the Council and Bonneville worked together to encourage sponsors to develop project proposals that may respond to the BiOp action items. Project sponsors have attempted to note how their proposals meet those specific action items. While improvements are being made, the NMFS and action agencies have not been able to commit the resources to the steps of the provincial review process subsequent to the solicitation to make integration as successful as it must be. Again, improvements, such as the October 1, 2001 NMFS review of Columbia Plateau proposals and the Bonneville October 16, 2001 comments are very constructive and helpful steps in engaging in the process. The Council should continue to urge those agencies, and others, to engage in the subbasin summary development process (and the subbasin planning initiative) to describe BiOp needs and other needs. Additionally, NMFS and Bonneville should seek to become familiar enough with existing and new project proposals in the Columbia Plateau (by attending site visits and proposal presentations) to be able to provide the Council recommendations on which of them may meet BiOp needs.

Council staff envisions BiOp integration with the provincial review to require the following general steps:

1. NMFS and the action agencies need to participate in the development of subbasin summaries at whatever level is necessary to ensure that those documents reflect BiOp needs.

2. NMFS and the action agencies should provide guidance in the solicitation that allows potential project sponsors to know what the BiOp calls for. (This has been done -- we should evaluate the effectiveness of the guidance to date).
3. The NMFS and the action agencies should encourage sponsors, in whatever way, to develop proposals that respond to the specific action items called for in the BiOp.
4. NMFS and the action agencies need to become sufficiently familiar with the proposed projects to understand which may relate to an action item called for in the BiOp.
5. After the ISRP report is completed, NMFS should provide the Council written comment for the public record some form of statement as to which projects appear to respond to the BiOp action items. This is more than a statement of "consistency or inconsistency" of a project or an entire CBFWA proposed package. The Council (and action agencies) need to know which specific projects appear to relate to specific action items. (e.g. do land acquisition and protection proposals "X", "Y", and "Z" in the John Day subbasin appear to respond to habitat Action Item 150). It would also be extremely helpful if NMFS could also indicate how some proposals that may not quite hit the mark might be modified to respond to a specific action item.
6. Taking into account NMFS' comment, Bonneville should advise the Council in the public record that it would intend to deem the suite of propose projects before the Council sufficient for its BiOp implementation needs in the province under review. What the Council wants to avoid is recommending projects that Bonneville would not fund, or to recommend a package short of what Bonneville believes is needed.
7. On the basis of the ISRP reports and public record, the Council would make funding recommendations to Bonneville that meets its fish and wildlife program and BiOp obligations in an integrated package.

Update based on October Council meeting:

On October 1, NMFS Assistant Regional Administrator Brian Brown provided the Council a review of the proposed Columbia Plateau projects. The NMFS review focused, as we had requested, on the potential applicability of the proposals to the specific Reasonable and Prudent Alternatives listed above in Issue 2.4. The review concluded that many Plateau proposals are consistent with the intentions of the RPAs and specifically identified which projects were consistent with individual RPAs. This review was what the Council staff requested and was very helpful to determine how individual projects can be candidates for meeting Bonneville's offsite mitigation requirements under the Bi-Op. The NMFS comments identified proposals that correspond to specific off-site mitigation RPA action items, and it also noted which proposals, while not having a direct correspondence to an action item, were overall consistent with the off-site mitigation program of the BiOp.

On October 16th, Bonneville provided written comments to the Council on the proposals submitted for the Columbia Plateau province. The Bonneville comments spoke to some general issues, but focused primarily on individual projects, particularly those intended to benefit anadromous fish and bull trout. Bonneville representatives presented these comments as "considerations" for the Council, and assured

the Council that these were not final determinations on what it would or would not fund in the province. The Bonneville comments used a four category ranking system, assigning proposals a rank A through D. Category A was assigned to *new* proposals that addressed a specific RPA action item in the NMFS or USFWS BiOp, is consistent with the draft implementation plan, and/or provided a USDA cost share for Conservation Reserve Enhancement Program (CREP) activities. Category A was also assigned to *ongoing* proposals that address a specific NMFS or USFWS BiOp measure, or where failure to continue funding would jeopardize past regional investment.

Bonneville assigned other proposals to a category B or C, and suggested that they be considered only after a subbasin plan is complete. Reasons for the deferral were that the proposal is believed to involve: a) significant unresolved policy issues; b) substantial costs; and/or c) complexities that should be addressed in a subbasin planning exercise.

The substantial Bonneville comments are helpful and important information. They are also evidence of a heightened commitment to engage in the provincial review process and to use it to meet all of its fish and wildlife program needs in a unified process. The Council should consider the general and project specific comments as it deliberates. Staff does have some questions and concerns, however, about some of the comments provided.

First, Bonneville's ranking system favors projects that it believes is consistent with the Action Agency Implementation Plan. However, there is no final One or Five-Year Implementation Plan. The Council provided substantial and critical comments on the draft Five-Year Implementation Plan, and we do not know at this time (as there has been no public redraft or final) if those comments have been addressed. Moreover, it appears to staff that there remains a large amount of work to do before the draft One-Year Implementation Plan can be used as meaningful guidance to the Action Agencies or the region in designing and prioritizing fish and wildlife proposals to meet ESA needs. It is our understanding (very unofficial) that the NMFS and Action Agencies are not in agreement that the current drafts of the One-Year Implementation Plan are moving in the right direction. In light of the uncertainty of the Implementation Plans and in the federal process developing them, the Council should urge the Action Agencies, and Bonneville particularly, to focus on defining its ESA needs within the provincial review process, and just as importantly, to rely upon the work done by the ISRP, and the local, state, and tribal resource managers and other interested entities to craft its ESA implementation plan for the subbasins and ESU's in the Columbia Plateau province.

Second, Bonneville provides general comments in several introductions to subbasin descriptions that suggest that proposals should be deferred because of funding needs -- ESA primarily -- that are likely to arise elsewhere in the basin. Again, there is no Implementation Plan that is sufficiently developed to identify the nature and magnitude of those needs, or where they exist so no specifics are provided. Rather, the only specific guidance available to date on where other needs may exist comes from the BiOp itself. The Council appreciates the need to make sure funds are available in other portions of the basin for ESA needs. The Council is using the provincial review process to put a premium on ESA related proposals by making it a primary prioritization criterion (see Issue 2 discussion above), and it has also taken steps to ensure that funds do remain available within the \$186 million planning target for each remaining province. In light of these steps taken by the Council in the provincial review, and the lack of any guidance beyond the BiOp on priorities, the staff believes its recommendations respond to Bonneville's comments that funds be maintained for yet to be identified needs, and that there is not a need to defer scientifically sound projects that have been identified as priorities by state, local and tribal managers.

Bonneville's ranking system suggests that projects should be deferred where significant unresolved policy issues exist. The staff recognizes that there likely are policy issues that need resolution, but that the nature and scope of those issues must be identified and publicly discussed if they are to bear on the Council's decision-making process. Where the Bonneville comments on a specific proposal identify a policy issue that it believes requires resolution before funding, the staff will attempt to respond to or frame that issue. If the Bonneville comments suggest that there are programmatic policy issues (e.g. "in lieu" funding, wildlife crediting, or other) the staff believes that it is incumbent on Bonneville to bring those issues to the fore in the public process for full discussion and resolution before they can be expected to guide Council action.

Finally, Bonneville's ranking system would defer proposals that it believes involve "complexities" that would be resolved in subbasin planning. The staff does not believe that this consideration gives proper deference to the role of the Independent Scientific Review Panel and its role in the process. That is, each proposal was reviewed by the ISRP, as was the subbasin summary that the proposal related to. In order to find the proposal "fundable" the ISRP had to determine that the proposal: (1) was based on sound science principles, (2) benefited fish and wildlife, (3) had clearly identified objectives and outcomes, and (4) had provisions for monitoring and evaluation. Again, under the revamped provincial review, proposals were not reviewed in isolation, but in the context of subbasin summaries that included assessment information, identified existing management objectives, catalogued existing fish and wildlife activities, and documented the near term fish and wildlife needs in light of all of the proceeding. Thus, the staff believes that a "fundable" rating from the ISRP is strong evidence that any complexities that may exist within a proposal as it related to the subbasin have been adequately addressed.

This discussion of the Bonneville comments should not be interpreted as a blanket rejection or objection to its concerns. As much as anything, the discussion is a call for more specificity from Bonneville, and a continuing suggestion that it rely more on the provincial review process to shape its ESA response. The staff believes that NMFS and the action agencies would find value in shaping an ESA response in this public process that seeks to meld local priorities, fish and wildlife and resource manager objectives, and sound science. This is particularly attractive given the status of the federal Implementation Planning process. In addition, the staff will attempt to consider and respond to Bonneville's proposal specific comments in the subbasin-by-subbasin section of this memorandum.

Staff Recommendation: The staff recommends that the Council recommend funding projects that are found to correspond to specific RPA action items or that are found to be "consistent" with the Biological Opinion. The staff suggests that correspondence with action items and consistency with the Biological Opinion is a more definite and tractable standard to apply than relying upon the action agencies' Draft One or Five-Year Implementation Plans. The staff recognizes the action agencies' interest in providing guidance to interpreting the Biological Opinion through development of an Implementation Plan. However, to date it appears that the action agencies are focused on working on their plan internally, and seeking guidance from NMFS along the way. Using such a process, it does not appear at this point that the action agencies will timely provide and publicly discuss a plan that provides sufficient direction beyond that already in the BiOp to local resource managers and other interested parties. Moreover, the staff believes that the flexibility that exists in the Biological Opinion that permits the current federal attempt to draft a more definite implementation plan should be used to allow local interests and resource managers to develop local priorities and proposals for meeting the Biological Opinion off-site mitigation needs. That is, the staff

suggests that the Council strongly recommend to Bonneville that it seek to meet its Biological Opinion needs through the provincial review process, and that the dual standards of Biological Opinion "consistency" and local management priorities be the driving considerations behind its ESA off-site mitigation response. The Council should seek to obtain Bonneville's confirmation that the proposals presented below, focused on local priorities and BiOp consistency will be accepted as part of its BiOp implementation needs. Further, the Council should seek Bonneville's commitment to look first to the provincial review process to meet its BiOp needs, taking every step possible to use that established process rather than special or targeted solicitations that the ISRP has found to deliver inferior proposals.

Issue 4. Proposals for new or additional subbasin/watershed assessment and planning.

The Council has made a decision to move forward with the initial round of subbasin planning using *presently existing assessment information and data*. The staff understands the Council to be concerned about additional investment in subbasin and watershed assessment work before subbasin planning efforts determine where that new work should be focused in the basin, province, or subbasin. The staff proposes that the Council not support Bonneville investment in new or finer detail assessment information until it is clear that the assessment information currently available is inadequate to guide the development of subbasin visions, objectives, strategies and implementation decisions for subbasin plans, or that subbasin planning under any particular state's approach will require such work. While it is very likely (actually expected) that additional assessment gathering work will be necessary in many subbasins, it is reasonable to first assess the information that we have to identify the "gaps" that should be filled. For example, past EDT work has developed assessment information for each subbasin. Thus, the staff recommendation would preclude additional assessment work until that existing EDT information is "ground-truthed" to see where information is weak or absent. Similarly, some of the states may have invested in and committed to certain assessment activities under their subbasin planning laws or policies. If that is the case, the proposal will need to clearly show that it is related to the work that the state has committed to, and that it will be relevant to subbasin planning as described in the Council's fish and wildlife program.

Similarly, the staff does not believe that proposals that purport to establish goals, objectives, or strategies for subbasins or watersheds that will persist for more than a year or two should be funded before the first round of subbasin plans are developed. This is so because decisions on visions (or goals), objectives, and strategies should be made in the formal subbasin planning exercise that the Council will initiate in the next few months.

Finally, it appears to staff that these sorts of proposals should be included in the basinwide or subbasin level planning budgets, and not in the general "program implementation budget". The Council approved a staff proposal for an initial budget for subbasin planning and technical support at the October 11 work session.

Staff Recommendation: Do not fund proposals or portions of proposals to do additional or finer-scale assessments in watersheds or subbasins until the existing assessment information is reviewed and "ground-truthed." Exceptions to this general rule apply where the assessment proposal is to implement assessment work that a state subbasin planning process requires, the work is relevant to subbasin planning as described in the Council's fish and wildlife program, and the state, local, and tribal managers have agreed that it is a priority at this time. .

Additionally, do not fund proposals or portions of proposals that seek to establish subbasin or watershed goals, objectives, or strategies before subbasin planning is initiated, or until those leading planning in a subbasin agree that available Bonneville funding for planning should be dedicated to the proposed activity.

Issue 5. Wildlife crediting.

The current program carried forward the estimated total habitat unit losses that were caused by the construction of the federal dams in the Columbia River Basin (See Appendix C, Table 11-4). This is an estimation of habitat lost due to inundation of lands when the reservoirs behind the federal dams were created. The Act and the program call upon Bonneville to provide mitigation for these wildlife habitat losses, and that work has been ongoing for over a decade. The primary means of mitigating for these lost habitat units has been to acquire, protect, and enhance lands that offer substitute habitat. Further, the program has always encouraged “in-kind, in-place” mitigation. That is, project sponsors and Bonneville have been encouraged to acquire and protect substitute habitat of the same kind as near to the habitat lost as possible.

The hydrosystem construction/inundation losses have been estimate for each federal dam (See Appendix C, Table 4). This has facilitated the ability to assign “wildlife construction loss mitigation “credit” to a particular federal project whenever substitute habitat has been acquired and protected. This method has helped to implement the “in-kind, in-place” policy of the Council.

The “wildlife credit” issues for this provincial review in the Columbia Plateau are:

1. Whether or not Bonneville will seek to assign construction/inundation credits for new habitat acquisition proposals to defined losses in provinces *outside* the Columbia Plateau. This is an issue because it appears that Bonneville may take the position that the losses assigned to the federal projects in Table 11-4 for the federal projects in the Columbia Plateau province are at or near full mitigation for the construction/inundation losses that have been assigned to them.
2. Whether or not Bonneville will follow the 2000 program's decision that a 2:1 crediting ratio should be applied for new projects designed to address construction/inundation of wildlife habitat. (That for every one habitat unit lost due to construction/inundation, two units must be permanently protected) (See 2000 program, Section C.7, page 30). Recall that the appropriate crediting ratio has been an unresolved issue within the program for over a decade. Repeated calls by the Council in past programs for Bonneville and the wildlife managers to reach agreement on a crediting ratio have unsuccessful. Therefore, with the managers and Bonneville declaring an impasse during the amendment process, the Council itself used the recommendations it had received on the matter, took into account the history of the issue, and established the crediting for remaining construction/inundation losses as 2:1 in its 2000 program. Bonneville asserts a legal position that setting the crediting ratio is beyond the Council's statutory authority. The Council disagrees. This issue of whether or not the Council has the legal authority to establish the crediting ration has been an open and documented disagreement between Bonneville and the Council for a number of years.

3. Bonneville is required by BiOp action item 150 to protect currently productive, non-federal habitat utilized by listed salmon that is at risk of degradation. The wildlife managers state that Bonneville is taking the position that it must receive credit against the wildlife habitat construction/inundation loss statements if it funds the protection of such habitat because of the apparent benefits that will also accrue to wildlife.
4. The Council has a project funding priority principle for wildlife mitigation projects, in order to prioritize among the many needs to address fish and wildlife impacts. For wildlife, mitigation should emphasize addressing areas of the basin with the highest proportion of unmitigated losses.

Staff Recommendation: Support acquisition and protection of existing high quality, productive fish and wildlife habitat as stated in the funding principles set forth in Issue 3. above, in conjunction with the Council's adopted funding priority for wildlife projects (issue 4 above). Adhere to the adopted program language regarding 2:1 crediting for new proposals to mitigate for wildlife habitat lost due to hydrosystem construction/inundation losses. Accept Bonneville's assurance provided at the August Council meeting that wildlife mitigation will not be credited to hydrosystem projects out of the area of the proposal without agreement of the wildlife managers.

Regarding item 3. above, the staff recommends that the Council urge Bonneville to consider funding habitat acquisitions that are primarily aimed at providing benefits to listed salmon without requiring as a precondition that it also receive credit against the construction/inundation loss ledgers in Table 11-4 of Appendix C of the 2000 program. First, the BiOp action item 150 calls upon Bonneville to protect existing high quality non-federal habitat for listed salmon whether or not it will also get wildlife credit under the Council's program as a result of meeting this BiOp requirement. Second, the Council's 2000 program seeks to move program implementation to an ecosystem approach, and to wind up the past practice of dividing the program into anadromous fish, resident fish, and wildlife segments. There remain wildlife losses above and beyond the construction/inundation losses that Bonneville must mitigate (e.g. operational losses, indirect losses). Therefore, collateral wildlife benefits that will be realized from protecting listed salmon habitat can be viewed as addressing these other wildlife habitat obligations.

Issue 6: Formalize lamprey initiatives.

In its FY 1999 recommendations the Council was provided with several new lamprey research and evaluation projects. While these new project met ISRP review standards, they did not appear to be connected or coordinated with the existing, on-going, coordinated lamprey umbrella project that was developed in response to a lamprey status review conducted in 1995 (project 199402600). That existing project, being implemented in phases, is supposed to provide information regarding lamprey status, and possibly identify restoration plans. It made little sense to the Council to recommend the start-up of new lamprey projects not linked to the existing umbrella project. The Council did request that the Columbia Basin Pacific Lamprey Technical Work Group (TWG) continue to serve and guide coordination activities for existing and new projects and other key issues regarding this species. This needs to include mainstem dams and other passage issues. Annual meetings need to occur to ensure this process continues. Ultimately, with the condition of coordination, the Council approved some new lamprey proposals.

As part of the current Columbia Plateau review the ISRP (document 2001-8) provided a "fundable" recommendation for the two ongoing (#199402600 and 200005200) and two new start proposals (#25007 and #25101). Though they provided this favorable recommendation they raised several concerns and issues about the overall investigation proposed for assessing the distribution and abundance and identifying limiting factors in lamprey. The ISRP stated that there is a need to frame these projects into a comprehensive study on lamprey in the Columbia. This study needs to include coast-wide trend or indicators of abundance, relationship between the species, recruitment relationships and limiting factors. The ISRP acknowledged that the lamprey investigators in the Columbia River basin have been coordinated through workshops and personal interactions, activities that need to continue.

Staff Recommendation: There seems to be a very prolific group of biologists working on Pacific Lamprey issues in the Columbia River Basin. Past efforts by the ISRP and the managers in the basin seem to be providing a coordinated effort through the Pacific Lamprey Work Group (TWG). The workgroup seems to be providing a progression of studies to make the best use of limited dollars. Though past Council decisions requested that the TWG be coordinated and facilitated by the CTUIR and CBFWA as part of the existing projects, there seems to be a critical need to formalize the oversight of the TWG. Due to continued importance and complexity of lamprey projects and the burden that the role of facilitation and coordination places on the individual sponsor there is a need to have Bonneville provide this role (e.g. similar to the TWG associated with captive propagation projects). This oversight by BPA will allow the project sponsors to address the issues and concerns raised by the ISRP and assimilate the projects to ensure that they are proceeding in a systematic, and logical progression of studies that will benefit the rehabilitation of Pacific Lamprey in a coordinated and cost effective way.

Issue 7: Prioritization of bull trout investigations and recovery measures for Bonneville funding.

There is a proliferation of projects that address listed bull trout, spanning from species distribution and habitat assessment type projects to actual implementation projects. These projects are almost exclusively proposed for tributary streams. While these projects do qualify for Bonneville funding under the program, to date, there has been little discussion of what Bonneville's responsibility for bull trout recovery should be.

On October 29th, the Fish and Wildlife Service provided the Council a letter that indicated that the ESA bull trout and Kootenai River white sturgeon needs would be further defined in the federal Implementation Plans, but that those were works in progress that could not be used for guidance at this time. In the interim, the Service recommends that the Hydrosystem BiOp be used as the primary guidance. The Service went on to offer its support for what appeared to be each new and ongoing bull trout related proposal in the Columbia Plateau province that was found fundable by the ISRP. It is noteworthy that the Service urges Council funding for several proposals (25012, 1994-054-00, and 2000-039-00) that Bonneville suggested be deferred until subbasin planning.

Staff Recommendation: It appears that the Service will rely upon the ongoing federal Implementation Planning process to further articulate an ESA based obligation of Bonneville for bull trout recovery. For the time being, and for purposes of the Council's funding recommendations, the recommendation is to treat proposals dealing with bull trout as any other legitimate fish and wildlife program proposal that does not have an ESA connection. Thus, the funding criteria above would guide the Council's

consideration of these projects. It appears to staff that a continuation of the ongoing proposals noted by the Service and the initiation of the new work supported by priorities identified by managers in Oregon and Washington, while not providing every project supported by the Service, will be consistent with the recommendations provided by the Service for meeting ESA bull trout needs at this time in this province.

Issue 8. Innovative projects seeking continuing funding.

The timing of the Columbia Plateau Provincial review coincides with the maturity of some Innovative Projects started over a year ago. The purpose of innovative projects is to explore new methods and applications of technologies for fish and wildlife recovery in the Columbia River Basin. These projects are launched to address specific needs at a pilot scale, before we decide to consider any of them for full-blown implementation. The question is whether these former Innovative projects should be considered as fresh new starts, or new starts with a background (i.e. grandfathered in), or ongoing projects within the provincial context.

During the development of guidelines relevant to Innovative proposals, the Council clearly stated the following conditions:

1. Innovative projects should be funded on a one-time basis within that budget category.
2. If additional Bonneville funds are sought, the proposals will compete with all other proposals in the province-based solicitation and review process.
3. Projects funded under the innovative category will not be allowed to receive additional Bonneville funding of any kind until the initial work has been completed and a final report submitted to the Council documenting any findings, conclusions, or noteworthy observations made as a result of the study.

In the Columbia Plateau there are four new proposals that represent continuation of former innovative projects, or rest on the application of a concept or technology explored through a past innovative project. These projects are:

- Proposal 2000-052-00 (Upstream migration of Pacific lampreys - John Day River) was funded in FY 2000 as an innovative project (2000-052-00).
- Proposal 25036 (The impact of flow regulation on riparian cottonwood ecosystems in the Yakima River Basin) was funded in FY 2000 as an innovative project (2000-068-00).
- Proposal 25052 (Sex Reversal in Hanford Reach Fall Chinook Salmon (Mainstem Columbia subbasin)) is related to Innovative Project 2001-008-00 funded in FY 2001.
- Proposal 25055 (Echo Meadows artificial recharge extended groundwater and surface water modeling (Umatilla subbasin)) is related to Innovative Project 2001-015-00 funded in FY 2001.

Staff Recommendation: Proposals put together as expansions or continuation of Innovative projects must satisfy all of the requirements and contractual obligations stipulated under the innovative project funding category, before they can receive any consideration for additional Bonneville funding.

In addition, proposals that have completed such requirements will be considered as new starts for the specific subbasin of choice, without any "seniority" status in ranking or funding priority resulting from their previous status as, or logical evolution from, an innovative project previously funded.

Subbasin Specific Issues

As you read the project-specific issues in each subbasin section in this document, the staff has estimated a change in the "base" budget as a result of the specific recommendation. This "base" is the new application of the Council's guidance, meaning that the "base" is the Fiscal Year 2001 budget levels for ongoing projects that were rated as "fundable" by the ISRP and "high priority" by CBFWA plus 3.4 percent increases in each year. However, if the sponsor requested a lesser budget, that request is the basis for the recommended budget.

Crab Creek Subbasin

Crab Creek ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
199106100	Swanson Lakes Wildlife Area (SLWA)	WDFW	High Priority	Agree - Fundable (p.86)	255,921	290,238	845,512	264,622	273,619	265,137
199404400	Enhance, protect, and maintain shrubsteppe habitat on the Sagebrush Flat Wildlife Area (SFWA)	WDFW	High Priority	Agree - Fundable (p.87)	0	908,375	1,407,100	908,375	249,363	249,362
Subtotal 'ongoing/base'					255,921	1,198,613	2,252,612	1,172,997	522,982	514,499

Crab Creek other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25001	Acquire Sharp-tailed Grouse Habitat at the Swanson Lakes Wildlife Area	WDFW	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.94)	0	300,000	337,900	300,000	32,900	5,000
25042	Pygmy rabbit recovery - captive breeding	WDFW	High Priority	Agree - Fundable (p.86)	0	220,914	461,118	220,914	120,102	120,102
25043	Northern Leopard Frog Distribution and Habitat Association	WDFW	High Priority	Agree - Fundable (p.87)	0	41,754	156,354	41,754	91,680	22,920
Subtotal 'other proposals'					0	562,668	955,372	562,668	244,682	148,022

Deschutes Subbasin

Deschutes ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
198805306	Hood River Production Program (HRPP): Hatchery O&M - Portland General Electric - Enron	PGE	High Priority	Agree - Fundable (p.53)	0	165,859	557,854	150,871	156,001	161,305
199404200	Trout Creek Habitat	ODFW	High	Agree if						

Deschutes ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
	Restoration Project		Priority	funded in part (p.104)	358,846	414,170	1,264,443	371,047	383,662	396,707
199802800	Trout Creek Watershed Improvement Project	JCSWC D	High Priority	Agree if funded in part (p.104)	118,100	465,100	996,700	122,115	126,267	130,560
Subtotal 'ongoing/base'					476,946	1,045,129	2,818,997	644,033	665,930	688572

Deschutes other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25007	Determine lamprey species composition, larval distribution and adult abundance in the Deschutes Subbasin	CTWSR O	High Priority	Agree - Fundable (p.41)	0	125,440	341,382	125,440	107,971	107,971
25010	Regional Stream Conditions and Stressor Evaluation	ODEQ	High Priority	Agree - Fundable (p.52)	0	180,000	540,000	180,000	180,000	180,000
25014	Establish Riparian Buffer Systems	Wasco SWCD	High Priority	Agree - Fundable (p.32)	0	67,119	204,497	67,119	67,218	70,160
25015	Emergency Flow Augmentation for Buck Hollow	Wasco SWCD	High Priority	Agree - Fundable (p.51)	0	0	0	0		
25074	Deschutes Water Exchange	DRC	High Priority	Agree - Fundable (p.53)	0	1,000,000	2,835,100	1,000,000	894,800	940,300
Subtotal 'other proposals'					0	1,372,559	3,920,979	1,372,559	1,249,989	1,298,431

Deschutes Issue 1: ISRP “fund in part” recommendations for Trout Creek watershed restoration projects: Projects 199404200 and 199802800

Project 199404200 includes O&M and construction of instream and riparian habitat improvement; Monitoring and Evaluation of Summer steelhead smolt production and habitat recovery; and coordination for basin long-range plan with a goal to increase a native ESA listed stock.

ISRP review recommended funding in part with project 199802800 to finish the watershed assessment and plan, as it should be the basis for the restoration plan. They expressed concern that the target date for completion of the action plan is too far out, and also that the monitoring plan and methods are inadequately described and should be better coordinated with other on-going projects.

Project 199802800 includes implementation of practices that will enhance steelhead smolt production and habitat recovery following completion of a watershed assessment/long-range plan currently being conducted.

ISRP review recommends funding in part to complete the watershed assessment. This should come first prior to restoration efforts and the assessment should for the basis for developing the restoration plan. Also, the tasks the ISRP noted, are vague and to be completed at some future date.

BPA favors funding parts of these projects for FY 2002. Generally they are supportive of the completion of the watershed assessment, O&M of the existing habitat improvements, cost-share with the COE habitat project. Support for continuing any further M&E needs to be reviewed and realigned. In addition, BPA indicated that they do not wish to fund any new habitat work.

Staff Recommendation: Project 199404200 - Based on the ISRP’s comments and the proposed Council criteria for prioritizing projects, the staff recommends funding components of the proposal that include the operation and maintenance, and monitoring and evaluation, of BPA’s past investments and new, or expansion of, passive restoration activities. This work largely consists of monitoring, maintaining, expanding, and repairing of fences and offsite watering devices, and maintaining *existing* bioengineering bank and instream structures.

Other remaining tasks focus around design of an action plan and identification of projects and project locations -- tasks that should be completed after developing a subbasin plan. The Staff recommends not funding the completion of the watershed assessment as defined. Not recommended for funding are activities in Section 5, objective 1 task a and objective 2 task a (non-passive. Action plan and monitoring plan development, however valuable, are meaningful in the context of a completed subbasin assessment and subbasin plan, and should be funded through the subbasin planning budget, or other means.

Budget effect on base program (Project 199404200):

FY 2002	FY 2003	FY 2004
Decrease \$229,257	Decrease \$237,051	Decrease \$245,111

Project 199802800 - The staff recommends that this ongoing project be funded at the “base” level. The Staff recommends not funding the completion of the watershed assessment as defined in Section 4, objective 1 task a, b, and c. Staff also recommends funding project components that include only passive restoration and fish passage improvements. Task a, the largest part of this project, is the request for cost share of \$350,000 (this amount will leverage the \$650,000 contribution from COE) for a project with COE to design and implement a stream restoration project associated with berm removals and channel reconstruction. Staff considers this a new non-passive restoration project and therefore should be framed in the context of subbasin plans. If the project is ripe for implementation during the fiscal year the sponsors can pursue a with-in year funding request through CBFWA.

Budget effect on base program (Project 199802800):

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

Deschutes Issue 2: Project 25010 Regional Stream Conditions and Stressor Evaluation received a fundable recommendation from ISRP and a conditional recommendation from CBFWA for the various components of the project. CBFWA only provided consensus support as High Priority in the John Day. In the Deschutes and Umatilla, CBFWA views the project as a Recommended Action.

Staff Recommendation: The agreed upon budget should only reflect the tasks that would take place to support action in the John Day.

Budget effect on base program (Project 25010):

FY 2002	FY 2003	FY 2004
Increase \$80,000	Increase \$80,000	Increase \$80,000

Deschutes Issue 3: Council staff believes that proposal 25074 (*Deschutes water exchange*) will meet BiOp needs by responding to RPA action item 151. This new project would appear a prime candidate for funding under the Regional Water Entity. Bonneville also believes the Deschutes Resources Conservancy project should be funded under the Regional Entity and the Council would encourage Bonneville to consider the DRC project for funding under that process. Because it is unclear how or when the Regional Water Entity will be funded at this time, the project funding recommendation is not shown to have an effect on the base Columbia Plateau budget.

Budget effect on base program (Project 25074):

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

Deschutes Issue 4: Establish riparian buffer systems, Project 25014

Proposal 25014 may be relevant to resolving the approach to implementing Biological Opinion RPA 153. NMFS commented that the project would implement RPA 153 only through permanent or long-term easements. Bonneville commented that the proposal would meet RPA 153 and ranked it in the A funding category.

Staff Recommendation: Staff believes the proposal will help implement RPA 153 and Oregon places great emphasis on this types of locally driven activity in implementing the Oregon Plan. The proposal would be strengthened if Bonneville, though its contracting process, encouraged coordination of SWCD personnel with the local fish and wildlife managers to develop priorities for contracting and enrolling participants in the CREP programs. Bonneville's comments on these proposals would appear to further emphasize this necessary coordination.

Budget effect on base program:

FY 2002	FY 2003	FY 2004
Increase \$67,119	Increase \$67,218	Increase \$70,160

Deschutes Issue 5: Determine Lamprey species composition and abundance in the Deschutes, Project 25007

As part of the current Columbia Plateau review the ISRP (document 2001-8) provided a "fundable" recommendation for a new start proposal for lamprey, project 25007. The proposed project will determine lamprey species composition and larval distribution in the Deschutes River and its tributaries, and determine adult abundance. ISRP, as noted in General Issue 6, has expressed some concerns about the need for coordination and sharing of information on lamprey projects throughout the Columbia Plateau province.

Staff Recommendation: Lamprey are of great cultural significance to the CTWSRO, although little is currently known about the population status in the Deschutes. Project 25007 will help determine the extent of lamprey presence in the Deschutes basin and staff recommends funding the project.

The Council should stress the need for coordination of this project with work ongoing in the Umatilla basin and other basins within the Columbia Plateau province. Due to continued importance and complexity of lamprey projects there is a need to have Bonneville provide the role of coordinator of the Technical Working Group for lamprey projects (e.g. similar to the TWG associated with captive propagation projects). This oversight by BPA will allow the project sponsors to address the issues and concerns raised by the ISRP and assimilate the projects to ensure that they are proceeding in a systematic, and logical progression of studies that will benefit the rehabilitation of Pacific Lamprey in a coordinated and cost effective way (see General Issue #6).

Budget effect on base program (Project 25007):

FY 2002	FY 2003	FY 2004
Increase \$125,440	Increase \$107,971	Increase \$107,971

John Day Subbasin

John Day ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25003	Forrest Ranch Acquisition	CTWSRO	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.88)	0	169,851	472,201	169,851	155,715	146,635
25004	Acquisition of Wagner Ranch	CTWSRO	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.88)	0	108,217	176,217	108,217	35,000	33,000
198402100	Protect and Enhance Anadromous Fish Habitat in The John Day Subbasin	ODFW	High Priority	Agree - Fundable if ... (p.58)	439,936	448,500	1,403,500	448,500	463,749	479,516
199306600	Oregon Fish Screening Project	ODFW	High Priority	Agree - Fundable (p.59)	641,621	660,870	2,042,683	660,870	680,696	701,117
199405400	Bull Trout Abundance Monitoring in the Lower Deschutes River formerly "Bull Trout Genetics, Habitat Needs, L.H. Etc. In Central And N.E. Oregon"	ODFW	High Priority	Agree - Fundable (p.37)	155,938	487,947	1,342,781	333,687	334,834	346,218
199703400	Monitoring Fine Sediment Grande Ronde and John Day Rivers	CRITFC	High Priority	Agree - Fundable (p.54)	39,486	63,634	200,604	40,829	42,217	43,652
199801600	Monitor Natural Escapement & Productivity of John Day Basin Spring Chinook	ODFW	High Priority	Agree - Fundable (p.59)	157,057	333,516	992,998	162,397	167,918	173,628
199801700	Eliminate Gravel Push-up Dams in Lower North Fork John Day		High Priority	Agree - Fundable (p.57)	95,100	128,000	368,000	98,333	101,677	105,134
199801800	John Day Watershed Restoration	CTWSRO	High Priority	Agree - Fundable (p.55)	432,350	566,824	1,742,026	447,050	462,250	477,966

John Day ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
199802200	Pine Creek Ranch	CTWSR O	High Priority	Agree - Fundable (p.56)	175,870	172,000	411,750	172,000	117,720	121,722
199901000	Mitigate Effects Of Runoff & Erosion On Salmonid Habitat In Pine Hollow and Jackknife	Sherman SWCD	High Priority	Agree - Fundable (p.33)	32,865	21,980	102,580	21,980	22,727	23,500
25102	Columbia Plateau Water Right Acquisition Program	OWT	High Priority	Agree - Fundable (p.60)	0	204,000	647,500	149,368	154,446	159,697
200001500	Oxbow Ranch Management and Implementation	CTWSR O	High Priority	Agree - Fundable (p.56)	1,782,546	291,898	519,998	291,898	110,715	117,385
200003100	North Fork John Day River Subbasin Anadromous Fish Habitat Enhancement Project	CTUIR	High Priority	Agree - Fundable (p.54)	221,205	293,894	919,607	228,726	236,503	244,544
Subtotal 'ongoing/base'					4,173,974	3,951,131	11,342,445	3,333,706	3,086,167	3,173,714

John Day other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25006	Provide Coordination and Technical Assistance to Watershed Councils and Individuals in Sherman County, Oregon	Sherman SWCD	High Priority	Agree - Fundable (p.33)	0	95,670	229,777	95,670	65,770	68,337
25067	Manage Water Distribution in the John Day Basin	OWRD	High Priority	Agree - Fundable (p.60)	0	251,261	703,023	251,261	177,785	273,977
25069	John Day Salmonid Recovery Monitoring Program	CTWSR O	High Priority	Agree - Fundable if ... (p.55)	0	164,133	280,140	164,133	59,150	56,857
25073	Wheeler SWCD Riparian Buffer Planning and Implementation	Wheeler SWCD	High Priority	Agree - Fundable (p.32)	0	75,086	232,080	75,086	77,337	79,657
25080	Gilliam SWCD Riparian Buffers	Gilliam SWCD	High Priority	Agree - Fundable (p.32)	0	75,086	232,080	75,086	77,337	79,657
25086	Purchase Perpetual Conservation Easement on Holliday Ranch and Crown Ranch Riparian Corridors and Uplands	ODFW	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.89)	0	5,459,520	5,485,320	5,459,520	12,900	12,900
25088	Salmonid Population and Habitat Monitoring in the Oregon Portion of the Columbia Plateau	ODFW	Split into 3 proposals; 2 High Priority, 1 Recommended Action	Agree - Fundable (p.57)	0	417,971	1,033,915	417,971	307,972	307,972
200005200	Upstream migration of Pacific lampreys in the John Day River: behavior, timing, and habitat preferences	USGS/C RRL	High Priority	Agree - Fundable (p.41)	0	271,956	746,956	271,956	271,000	204,000
Subtotal 'other proposals'					0	6,810,683	8,943,291	6,810,683	1,049,251	1,083,357

John Day issue 1: Including Desolation Creek land acquisition proposal from the "Action Plan" list into the Columbia Plateau decision (High Priority/Action Plan proposal 23084)

This proposal was submitted originally in the High Priority solicitation and was recommended by the Council in the final Action Plan recommendations for implementation in 2001. It was not submitted into the Columbia Plateau process although, in its final Action Plan review, the ISRP (ISRP 2001-1) found the project to be fundable in the Columbia Plateau, though expressed concerns regarding the lack of development of the O&M and M&E components. In addition the long-term costs were a concern and the ISRP recommended that the proposal be for acquisition and that the other components be reviewed in the upcoming provincial review. Bonneville earlier informed the Council that it would not fund land acquisition projects in the Action Plan process, recommending that they be deferred to the appropriate provincial review. The question for the Council is whether the proposal should be included in the Plateau base list even though it was proposed outside of the provincial review process.

This project proposed to acquire and restore the lower 11 miles of Desolation Creek and its tributaries. This would restore at least 11 miles of anadromous streams.

Staff recommendation: Oregon proposes a habitat acquisition placeholder to fund one or more habitat acquisition projects from a prioritized list. Desolation Creek would rank second in priority on that list. Staff believes the Desolation Creek project represents high-quality existing habitat that demonstrates the need for funding and could present a lost opportunity if delayed until the next funding cycle. The Council must recognize the uncertainty regarding the wildlife-crediting situation. In addition, a favorable recommendation needs to address the issues raised by the ISRP (ISRP 2001-1).

Budget effect on base program: See Umatilla Issue 5,

John Day Issue 2: New habitat acquisition proposals (Holliday 25086, Forrest 25003, and Wagner 25004 projects).

Staff recommendation: The Council has previously considered and recommended each of these projects in High Priority and Action Plan solicitations. Bonneville funded both the Forrest 25003 and Wagner 25004 projects through the High Priority solicitation. Money proposed for each of those projects represents O&M and M&E and would thus qualify under proposal funding criterion described above for funding for ongoing projects. Bonneville asked that the Holliday project be deferred to the provincial review. The staff understands that the Council stands by and reiterates its recommendation to fund that project through the High Priority solicitation. The funding for the Holliday Ranch depicted in the "effect on base program" box below is an estimation of the O&M needs for the next three fiscal years once the property is acquired.

These projects would not be affected by Oregon's habitat acquisition placeholder proposal. They were recommended through the High Priority and Action Plan processes and are not placed on the acquisition placeholder prioritized list.

Budget effect on base program (Project 25003):

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

Budget effect on base program (Project 25004) :

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

Budget effect on base program (Project 25086):

FY 2002	FY 2003	FY 2004
Increase \$22,950	Increase \$12,900	Increase \$12,900

John Day Issue 3: Monitoring Fine Sediment Grande Ronde and John Day Rivers (Proposal 199703400)

This project is a five-year project initiated in January 1998 to monitor surface fine sediment and over winter sedimentation in cleaned gravel in spring chinook spawning habitats in monitored river reaches, analyze potential trends and relationships in data, and relate to salmon survival in the John Day and Grande Ronde rivers.

The ISRP provided a “fundable” recommendation apparently on track with annual reports submitted in a timely manner. In addition the reviewers acknowledged that the responses were thorough, comprehensive, and adequately addressed their concerns.

This project was initiated in FY 1997, but received no funds until January 1998. This project is in its third year and as originally proposed anticipated to be complete in five years. The proposal outlines a substantial increase of \$30,634 over the FY 2001 authorized budget to cover shortfalls in the past that equals \$8,495.

Staff recommendation: Council staff has a concern regarding the requested increase in the funds for this project. Increases in salary costs, data management needs, and travel costs with consequent increases in fringe and indirect costs (no change in these rates) and the need to eradicate significant backlog of work caused by budget shortfalls in previous years, as per the proposal, does not warrant the increase expressed in the proposal. Council staff recommends that the project maintain the costs as presented in the FY 2001 proposal for out-years FY 2002 (\$41,838) and 2003 (\$43,930) for completion of the project.

Budget effect on base program (Project 199703400):

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

John Day Issue 4: Project 199405400 Characterize the Migratory Patterns, Structure, Abundance and Status of Bull Trout in the Plateau represents a joint ODFW and CTWSRO project, plus the bull trout component of Project 25088 (see John Day Issue 5). The project includes ongoing work from a CTWSRO component for the Deschutes (see Deschutes Issue 3) and an ongoing ODFW component in the John Day. It also includes the bull trout EMAP assessment work that had been an aspect of ODFW project 25088. CBFWA and ISRP agreed on a fundable - high priority recommendation for the project. Project sponsors note that conglomerating these tasks results in a 5% savings over what it would have cost to fund the tasks separately.

Staff Recommendation: Funding depends on Council resolution of General Issue 7 (bull trout new work) and the application of the proposed funding criteria that relate to new assessment work (for the effect on assessment work portion of the proposal). Much of the work in the project is ongoing and would merit continued funding under the funding criteria that prioritizes continuing services for ongoing projects. The October 29 letter from the Fish and Wildlife Service also recommended that the project be supported to meet measures and terms and conditions in the BiOp. The new work involving tasks added from project 25088 would appear to be assessment type of activities. This work was also supported by the Service and appears to support subbasin planning under the Council's program.

Budget effect on base program:

FY 2002	FY 2003	FY 2004
Increase \$\$154,340	Increase \$154,340	Increase \$154,340

John Day Issue 5: Projects 25088, 199405400 and 199801600 -- Monitoring activities in the Columbia Plateau south subbasins.

In its original proposal for project 25088, ODFW had proposed a number of tasks that appeared to ISRP to have no relation to each other. One aspect was a Deschutes Steelhead Stray Study, an advanced anadromous monitoring and evaluation study that formed the basis of Oregon's statewide monitoring, a bull trout monitoring and evaluation component similar to the anadromous study, and a law enforcement component. ISRP requested that the project be broken up into its logical components and appended to or coordinated with currently ongoing and complimentary projects. The sponsors complied with the ISRP request

Tasks originally included in 25088 spread into two existing projects as follows: the bull trout EMAP monitoring and evaluation component was added into project 199405400 and the anadromous EMAP monitoring and evaluation component of 25088 was added to project 199801600, resulting in a 628.7% increase in the existing 199801600 project budget over the FY 2001 forecast. The sponsors had compartmentalized the steelhead stray study and the law enforcement project, but the new projects were not assigned new numbers, and instead simply entitled the various components 25088a (the steelhead study), 25088b (a research study that was supported by CBFWA only as a Recommended Action), and 25088c (the law enforcement component).

ODFW dropped project 25088b due to lack of consensus. CBFWA supported the assignment of the anadromous tasks to 199801600, the bull trout tasks to 199405400, and the steelhead stray study of 25088a. The managers supported the law enforcement project 25088c, but with reservations that it presented an in lieu issue, and needed coordination with other managers.

The ISRP has reviewed the various components of the original 25088 project. Though the panel supported that proposal, they left no indication of their intentions with the other projects.

Staff recommendation: 25088a is primarily a research study with monitoring and assessment elements. As such, it would fall under the Council criteria as a disfavored category of new or expanded research initiatives.

The Council must determine the funding priorities for law enforcement projects. NMFS has not identified project 25088c as implementing the Biological Opinion, so the project meets only the collaboratively developed criteria. The Council has funded other law enforcement projects and has another proposal pending in the Umatilla subbasin. These projects, if funded, should be coordinated and held to the same reporting standards as previously funded law enforcement projects.

Project 199801600 is an ongoing project with a greatly expanded scope based upon the ISRP recommendation to join the evaluation work proposed in the original 25088 into a cooperative project. The Council would fund the ongoing work under General Issue 2 (the funding criteria).

The new work in project 199801600 would appear to be assessment type of activities that would aid the Council in subbasin planning under the Program. The John Day is also a priority subbasin for the Bureau of Reclamation and the Bureau has been actively pursuing development of a monitoring program funded by Bonneville in the John Day to complement the Action Agencies' Biological Opinion responsibilities. Staff believes these new activities will help the Action Agencies address their monitoring and evaluation responsibilities under the Biological Opinion.

Staff recommends that the monitoring in the John Day should be a coordinated effort and that Bonneville is correct in the need to coordinate these activities. The Council should emphasize the need for coordination through the BPA contracting process.

Budget effect on base program (Project 25088¹):

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

Budget effect on base program (Project 199801600):

FY 2002	FY 2003	FY 2004
Increase \$904,931	Increase \$891,980	Increase \$922,475

John Day Issue 6: SWCD proposals

Proposals 25073, 25080 and 25006 may all be relevant to resolving the approach to implementing Biological Opinion RPA 153. NMFS commented that these projects will implement RPA 153 only through permanent or long term easements. Bonneville commented that all proposals would meet RPA 153 and ranked 25073 and 25080 in the A funding category. Bonneville placed proposal 25006 in the C category.

Staff Recommendation: Staff believes these proposals will help implement RPA 153 and Oregon places great emphasis on these types of locally driven proposals in implementing the Oregon Plan. The proposals would be strengthened if Bonneville, through its contracting process, encouraged coordination of SWCD personnel with the local fish and wildlife managers to develop priorities for contracting and enrolling

¹ The budget represents funding for the steelhead stray project, referred to as 25088a, and does not reflect the project associated with law enforcement, referred to as 25088c.

participants in the CREP programs. Bonneville's comments on these proposals would appear to further emphasize this necessary coordination.

Staff recommends that 25006 would enable the Council to anticipate subbasin planning under the program by providing technical assistance to watershed councils that will be focal points in helping develop subbasin plans in the John Day. Proposal 25006 budgeted for purchase of a vehicle and an ATV during FY 2002. Staff does not find the purchase of these vehicles necessary to implement this project and has decreased the budget for FY 2002 to reflect that change.

Budget effect on base program (Project 25006):

FY 2002	FY 2003	FY 2004
Increase \$71,000	Increase \$65,770	Increase \$68,337

Budget effect on base program (Project 25073) :

FY 2002	FY 2003	FY 2004
Increase \$75,086	Increase \$77,337	Increase \$79,657

Budget effect on base program (Project 25080):

FY 2002	FY 2003	FY 2004
Increase \$75,086	Increase \$77,337	Increase \$79,657

John Day Issue 7: Proposal for monitoring and objective setting.

Proposal 25069 appears to conduct priority monitoring in the John Day. Bonneville ranked the proposal as a category A. BPA commented that the proposal should coordinate with the other John Day monitoring proposals, including the ODFW work in 199801600 and the ODEQ proposal 25010. NMFS commented that the above projects correspond to 400(153), 500, and 183 respectively. Staff concurs with the Bonneville recommendation on the need to coordinate the monitoring in the John Day and the Council should emphasize that requirement in the contracting process for the John Day monitoring proposals.

Budget effect on base program:

FY 2002	FY 2003	FY 2004
Increase \$164,133	Increase \$59,150	Increase \$56,857

John Day Issue 8: Oregon Water Trust proposal (proposal 25102/199908800)

Staff Recommendation: The Oregon Water Trust had an ongoing project to acquire water rights throughout the Oregon subbasins of the Gorge and Plateau provinces. In the Columbia Gorge provincial review, the Water Trust split their proposal to fund work in Fifteenmile Creek under the Gorge provincial review and submitted the Plateau portion of their work under the existing project number 199908800. The Council funded the Gorge work in FY 2001 under project 21019. Project 199908800 also received funding of \$140,000 in FY 2001.

OWT resubmitted project 199908800 in the Columbia Plateau province covering their ongoing work in the Plateau. The existing project was assigned a new number -- 25102. Water Trust's work should be considered ongoing, despite the new project number, since it is merely a continuation of the ongoing project, but held to the 3.4 percent increase in funding.

Bonneville's comments treat the ongoing project 199908800 as Category A and meeting RPAs 149 and 151. Staff concurs that the project does address both RPAs and would recommend funding the work under General Issue 2 as an ongoing project. If the Regional Water Entity is established, staff would recommend transferring the funding of the project to that process.

Budget effect on base program:

FY 2002	FY 2003	FY 2004
No Effect	No Effect	No Effect

Lower Mid-Columbia Mainstem Subbasin

Lower Mid-Columbia Mainstem ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
199009200	Protect and Enhance the Wanaket Wildlife Mitigation Area.	CTUIR	High Priority	Agree - Fundable (p.84)	204,438	223,465	679,824	211,389	218,576	226,008
199406900	Estimate production potential of fall chinook salmon in the Hanford Reach of the Columbia River.	PNNL	High Priority	Agree - Fundable (p.43)	225,000	294,006	867,597	232,650	240,560	248,739
199701400	Evaluation of Juvenile Fall Chinook Stranding on the Hanford Reach	WDFW	High Priority	Agree - Fundable (p.43)	341,784	342,000	769,000	342,000	297,000	130,000
200002500	Eagle Lakes Ranch Acquisition And Restoration	USFWS	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.93)	700,000	159,900	1,251,900	0	0	0
Subtotal 'ongoing/base'					1,471,222	1,019,371	3,568,321	786,039	756,136	604,747

Lower Mid-Columbia Mainstem other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25011	Assess Riparian Condition Through Spectrometric Imaging Of Riparian Vegetation	ODEQ	High Priority	Agree - Fundable (p.84)	0	175,000	360,000	175,000	100,000	85,000
25052	Sex Reversal in Hanford Reach Fall Chinook Salmon	CRRL	High Priority	Agree - Fundable (p.44)	0		415,359		262,321	153,038

Lower Mid-Columbia Mainstem other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25056	Conduct Watershed Assessments for Priority Watersheds on Private Lands in the Columbia Plateau	OWEB	High Priority	Agree - Fundable (p.83)	0	1,259,725	1,439,175	1,259,725	89,725	89,725
25060	Burbank Sloughs and Mainstem Columbia River Shoreline/Side Channel/Wetland Habitat Restoration	USFWS	High Priority	Agree - Fundable (p.83)	0	116,000	116,000	116,000		
25068	Rock Creek watershed road and riparian corridor improvement project.	YN, KC, BCC	High Priority	Agree - Fundable (p.82)	0	96,500	289,500	96,500	96,500	96,500
25079	Integration and Construction of a GIS Based 2-Dimensional Hydraulic/Habitat Model for 51 miles of Hanford Reach and Site of the Columbia River	USFWS	High Priority	Agree - Fundable (p.45)	0	295,786	550,786	295,786	200,000	55,000
25097	Salmon and Steelhead Habitat Inventory and Assessment Project (SSHIAP)	WDFW	High Priority	Agree - Fundable (p.85)	0	522,710	945,260	522,710	372,550	50,000
25101	Use of Mainstem Habitats by Juvenile Pacific Lamprey (Lampetra tridentata)	PNNL	High Priority	Agree - Fundable (p.41)	0	89,238	89,238	89,238		
Subtotal 'other proposals'					0	2,554,959	4,205,318	2,554,959	1,121,096	529,263

Lower Mid-Columbia Mainstem Issue 1: Conduct Watershed Assessments for Priority Watersheds, Project 25056

The Oregon Watershed Enhancement Board proposes to conduct watershed assessments at a finer scale than the Council has anticipated for subbasin planning. Such a watershed assessment has been conducted in the Hood River subbasin and OWEB is funding a similar effort in Fifteenmile Creek. Both assessments will help the state develop subbasin plans on better, finer-scale information and they believe will result in better subbasin plans. OWEB proposes to continue those watershed assessments in the Oregon subbasins of the Columbia Plateau.

Watershed assessments at the fifth-field Habitat Unit Code are a key feature of the Oregon Plan for Salmon and Watersheds. OWEB has developed a watershed assessment manual for Watershed Councils to perform the assessment work. The manual lacks a wildlife component and one aspect of project 25056 would develop that wildlife component for inclusion in the assessment manual.

NMFS believed the project addressed RPA 154. Bonneville also believed it addressed RPA 154, but ranked it in the C funding category, noting that subbasin plans would identify areas for assessment.

Staff Recommendation: The project would aid the State of Oregon in anticipating subbasin planning and merits funding. Finer scale assessments would provide better data on which the Council could base subbasin plans. Deferring such an effort until the completion of subbasin plans would mean the plan would be based upon data at a coarser scale, that could be greatly enhanced by the OWEB type assessment. Oregon considers these fifth-filed HUC assessments critical to the state planning effort.

Budget effect on base program (Project 25056):

FY 2002	FY 2003	FY 2004
Increase \$1,259,725	Increase \$89,725	Increase \$89,725

Lower Mid-Columbia Mainstem Issue 2: Stranding study (project 199701400)

This project began in 1997 to conduct a full-scale evaluation of the effect of controlled river elevation reductions on juvenile fall chinook and other species. It was originally planned to last two years, but continued to receive funding primarily from Bonneville and limited cost share by Grant County PUD. The sponsor (Washington Department of Fish and Wildlife) is now requesting funding for a sixth year of activities.

The scope of work of project 199701400 has changed significantly from its original intent. Originally the project was designed as a limited research study, but has now turned into a long-term monitoring effort that proposes to assess the modified special Operations Plan for the Priest Rapids project. Priest Rapids Dam is operated by Grant County PUD.

Because of the excessive extension in the duration of this project, the total costs to date considerably exceed the original estimates. The funding estimate for the entire duration of the project when the original version (FY 1997) was first proposed was \$225,000. The total spent to date (FY 2001) is \$1,442,964, over six times the original budget expectations.

In FY 2000, the ISRP recommended funds for one year only to complete the analysis and write the final report. The final report has not been received yet. In FY 2002, the ISRP supported the monitoring observations gained through this project, but linked their value to the effectiveness of flow operations. The Columbia Basin Fish and Wildlife Authority, in its current FY 2002 recommendations, indicated that the long term funding for this project needs to be considered by Grant County PUD.

Staff Recommendation: Staff recommends that funding of this project not be provided in FY 2002. No additional field work should be considered, given that the available mortality data collected to date reflect a complete spectrum of river conditions, including very low, medium and high water years. The sponsor should complete the final report to meet its contractual obligations.

Budget effect on base program (Project 199701400):

FY 2002	FY 2003	FY 2004
Decrease \$342,000	Decrease \$297,000	Decrease \$130,000

Lower Snake Mainstem Subbasin

Lower Snake Mainstem ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
199102900	Understanding the effects of summer flow augmentation on the	USFWS; USGS	High Priority	Agree - Fundable (p.72)	699,000	630,375	1,851,125	630,375	610,375	610,375

Lower Snake Mainstem ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
	migratory behavior and survival of fall chinook salmon migrating through L. Granite Res.									
Subtotal 'ongoing/base'					699,000	630,375	1,851,125	630,375	610,375	610,375

Lower Snake Mainstem other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25049	Numerically Simulating the Hydrodynamic and Water Quality Environment for Migrating Salmon in the Lower Snake River	PNNL	High Priority	Agree - Fundable (p.70)	0	207,360	498,599	207,360	183,322	107,917
25053	Evaluate bull trout movements in the Tucannon and Lower Snake rivers	USFWS - IFRO	High Priority	Agree - Fundable (p.38)	0	81,626	477,491	81,626	193,641	202,224
25064	Investigating passage of ESA-listed juvenile fall chinook salmon at Lower Granite Dam during winter when the fish bypass system is inoperable.	USFWS; USGS	High Priority	Agree - Fundable (p.71)	0	176,000	438,000	176,000	131,000	131,000
Subtotal 'other proposals'					0	464,986	1,414,090	464,986	507,963	441,141

Lower Snake Mainstem issue 1: ISRP “Not fundable as stands” recommendation for the ongoing Garfield County Sediment Reduction and Riparian Improvement Program; ongoing project 199401807

This project intends to coordinate, implement, and monitor conservation practices for the reduction of sediment from the uplands of Garfield County and enhances habitat in the riparian zones of the streams to improve water quality for steelhead and chinook salmon. The ISRP recommendation was based on the lack of justification of the biological benefits from the project. In addition responses failed to address the issues raised by the reviewers. BPA recommends funding to maintain the base coordination and planning function of the project, and expanding the focus of the project from Pataha watershed to three other small watersheds.

Staff recommendation: The staff concludes that the ISRP’s comments highlight critical concerns about the continuation of this project. The staff recommends continued funding of the base program and selected passive restoration strategies (i.e. planting, riparian buffers) addressed in Section 4, objectives 1, 2 and 3; Section 5, objective 1, task b, objective 2 and 3, and Section 7. The staff recommends that the budget not include funding for Section 5 (objective 1a), no-till, direct seeding and changing crop rotation until better justification of the biological benefits is presented. In addition funding needs to address issues only in the Pataha Basin. Bonneville funding for this effort needs to be justified in the Council’s subbasin planning process. Budgets for FY 2003 and 2004 need to be refined to reflect the recommended approach in the development of the FY 2002 Budget and SOW. Maintaining the coordination function, as was provided for similar projects in the Kootenai and Flathead subbasins, preserves staff support for subbasin planning in the Tucannon. The contract for this project should be written to support subbasin planning.

Budget effect on base program (Project 199491807):

FY 2002	FY 2003	FY 2004
Increase \$80,000	Increase \$80,000	Increase \$80,000

Palouse Subbasin

Palouse ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
None										

Palouse other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25008	Resident Fish Stock Status in the Palouse River and Upper Crab Creek Watersheds, Washington.	WDFW	High Priority	Agree - Fundable (p.73)	0	546,670	1,503,152	546,670	472,203	484,279
25092	Restoration of Healthy Watershed to Palouse River Drainage in Idaho	IDFG	BPA Crediting ? - High Priority	Agree if funded in part (p.94)	0	100,200	100,200	100,200		
Subtotal 'other proposals'					0	646,870	1,603,352	646,870	472,203	484,279

Tucannon Subbasin

Tucannon ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
200001900	Tucannon River Spring Chinook Captive Broodstock Program	WDFW	High Priority	Agree - Fundable (p.73)	98,420	94,509	342,009	94,509	97,722	101,045
Subtotal 'ongoing/base'					98,420	94,509	342,009	94,509	97,722	101,045

Tucannon other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
None										

Tucannon issue 1 "Not Fundable" recommendation for ongoing Tucannon model watershed coordination; Project 199401806

This is a collaborative program that coordinates activities to restore salmonid habitat on private and public lands. The proposed budget requests \$352,625 in FY 2002 and \$1,133,953 over three years.

The CBFWA and ISRP (p. 112) had similar concerns with the project regarding the current orientation of the project and that the project seems to have refocused on placing instream structures and neglected a watershed approach to their restoration efforts. In additions concerns were raised that there is a lack of evidence that the project has improved conditions in the watershed. BPA recommends funding to maintain the base coordination and planning function for this project.

The coordination that this project provides to the restoration efforts in the watershed is important. This is especially true in regards to the projects association with the Tucannon River Spring Chinook Captive Broodstock Program (Project # 200001900). On April 5, 2000, the Council approved the step review of the Tucannon River Spring Chinook Captive Broodstock Program. This recommendation was conditioned on the understanding that WDFW would work on linking the artificial production initiative to the habitat restoration activities in the basin and that future annual reports will place greater detail in their treatment and

analysis of data collected. This linkage being the two projects is vital to ensure that habitat efforts are the most beneficial to the captive broodstock program.

Staff recommendation: The staff concludes that the ISRP's comments highlight concerns about the continuing watershed restoration. The staff recommends continued funding of the base program and approaches with meaningful controls for stability, Section 4, 5 (objectives 1b and c, and 2) 6 and 7 pending subbasin planning. These tasks may involve the creation of pool forming structures as identified in the screening assessment as required by NMFS, USFWS and WDFW. The staff recommends that the budget not include funding for Section 5 (objective 1a), installation of instream bio-engineered habitat structures. Bonneville funding for this effort needs to be justified in the Council's subbasin planning process. Budgets for FY 2003 and 2004 need to be refined to reflect the recommended approach in the development of the FY 2002 Budget and SOW.

In addition, the staff concludes that the ISRP criticisms should warrant revisiting the objectives of this project that provides a watershed coordination function (Section 4, objective 1, 2) in the Tucannon watershed. This is an integral role for the coming process of subbasin planning, so the staff recommends maintaining a coordination function while the subbasin planning process is implemented, and provides for linkages to the artificial production initiative in the subbasin.

Budget effect on base program (Project 199401806):

FY 2002	FY 2003	FY 2004
Increase \$252,625	Increase \$304,249	Increase \$318,417

[Note: Out year budgets were adjusted proportionally for objective 5 (1a) based on the averaged annual increase as presented in the FY 2002 proposal, to establish fiscal year 2003 and 2004 costs.]

Umatilla Subbasin

Umatilla ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
198343500	Operate and Maintain Umatilla Hatchery Satellite Facilities	CTUIR	High Priority	Agree - Fundable (p.25)	920,977	956,849	3,948,549	952,290	984,668	1,018,147
198343600	Umatilla Basin Fish Facilities Operation and Maintenance	WID	High Priority	Agree - Fundable (p.31)	445,411	498,512	1,571,587	460,555	476,214	492,405
198802200	Umatilla River Fish Passage Operations	CTUIR	High Priority	Agree - Fundable (p.25)	327,600	343,979	1,084,394	338,738	350,256	362,164
198902401	Evaluate Juvenile Salmonid Outmigration and Survival in the Lower Umatilla River Basin	ODFW	High Priority	Agree - Fundable (p.63)	347,489	286,427	898,555	286,427	296,166	306,235
198902700	Power Repay Umatilla Basin Project	BPA	High Priority	Agree - Fundable (p.30)	800,000	1,750,000	5,250,000	1,000,000	1,000,000	1,000,000
198903500	Umatilla Hatchery Operation and Maintenance	ODFW	High Priority	Agree - Fundable (p.26)	860,000	917,559	2,833,809	889,240	919,474	950,736
199000501	Umatilla Basin Natural Production Monitoring and Evaluation Project	CTUIR	High Priority	Agree if funded in part (p.26)	318,333	280,716	890,716	280,716	290,260	300,129
199402600	Pacific Lamprey Research and	CTUIR	High Priority	Agree - Fundable	453,267	520,464	1,530,464	468,678	484,613	501,090

Umatilla ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
199506001	Restoration Protect and Enhance Wildlife Habitat in Squaw Creek Watershed	CTUIR	High Priority	Agree - Fundable (p.40)	205,188	222,268	690,674	212,164	219,378	226,837
200002300	Securing Wildlife Mitigation Sites - Oregon, Horn Butte (Philippi Property)	ODFW	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.90)	42,302	0	1,415,000	0		
200020116	Securing Wildlife Mitigation Sites - Oregon, Horn Butte Area (BAIC Tract)	TNC	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.91)	0	3,682,338	3,922,338		0	0
Subtotal 'ongoing/base'					4,720,567	9,459,112	24,036,086	4,888,808	5,021,029	5,157,743

Umatilla other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25029	Westland-Ramos Fish Passage and Habitat Restoration Pilot Project	WID	High Priority	Agree - Fundable (p.65)	0	203,020	1,287,100	203,020	1,044,080	40,000
25047	Morrow County Buffer Initiative	Morrow SWCD	High Priority	Agree - Fundable (p.34)	0	75,086	232,080	75,086	77,337	79,657
25055	Echo Meadows Artificial Recharge Extended Groundwater and Surface Water Modeling	PNNL	High Priority (pollutant work) Recommended Action (modeling effort)	Agree - Fundable (p.64)	0	390,283	780,566	390,283	390,283	
25059	Develop Progeny Marker for Salmonids to Evaluate Supplementation	CTUIR	High Priority	Agree - Fundable (p.61)	0	149,665	500,477	149,665	152,151	198,661
25081	Improve Upstream Fish Passage in the Birch Creek Watershed	ODFW	High Priority (correcting passage barriers)	Agree - Fundable (p.62)	0	374,572	818,517	374,572	210,410	233,535
25093	Characterize Genetic Differences and Distribution of Freshwater Mussels	CTUIR	High Priority	Agree if funded in part (p.105)	0	311,907	1,032,410	311,907	343,097	377,406
195505500	Umatilla Tribal Fish & Wildlife Enforcement	CTUIR	High Priority	Agree - Fundable (p.61)	0	163,369	514,956	163,369	171,506	180,081
Subtotal 'other proposals'					0	1,667,902	5,166,106	1,667,902	2,388,864	1,109,340

Umatilla issue 1: ISRP “Disagree - Not Fundable” recommendations for Enhance Umatilla River Basin Anadromous Fish Habitat (CTUIR) Project 198710001, and Umatilla Subbasin Fish Habitat Improvement (ODFW) Project 198710002

BPA prefers to fund only the habitat enhancement work for which previous funding obligations have been made under these projects. BPA has determined there is a need to reassess direction and priorities for habitat enhancement in the Umatilla subbasin. To accomplish this they would like the sponsors to participate in a review and reorientation of the proposals, as suggest by the ISRP, prior to funding.

Staff recommendation: These projects are intended to implement actions that protect and enhance riparian and in-stream habitat in the Umatilla River Basin. The staff concludes that the ISRP's comments highlight concerns about the continuing watershed restoration, to this degree and intensity, without a subbasin assessment and plan. The critical subbasin assessment needs to be developed in close cooperation and a prescription plan is needed to define the roles of these projects.

The staff recommends continued funding of the base program and passive restoration strategies (i.e. screening, riparian buffers) for these projects pending subbasin planning. The staff recommends that the budget not include funding for aggressive channel design/implementation techniques. Bonneville funding for this effort needs to be justified in the Council's subbasin planning process. In addition budgets for FY 2003 and 2004 need to be refined in the development of the FY 2002 Budget and SOW that reflect the base program and passive restoration strategies (e.g. screening, riparian buffers). Following are the adjustments to the proposals reflecting the staff recommendations regarding the objectives and tasks to be funded.

- Umatilla Subbasin Fish Habitat Improvement (ODFW) Project 198710002: objective 1 (tasks a - f) at \$142,801, objective 2 no funding recommended, objective 3 (task a - e) at \$79,864, objective 4 (task a - e) at \$23,874, objective 5 (task a - e) at \$21,225 and objective 6 (task a - e) at \$32,500. Totaling \$300,264.

Project 198710002 Budget effect on base program (Project 198710002):

FY 2002	FY 2003	FY 2004
Increase \$300,264	Increase \$300,264	Increase \$300,264

- Enhance Umatilla River Basin Anadromous Fish Habitat (CTUIR) Project 198710001: Section 4, objective 1, task b at \$19,442, objective 2 at \$74,914², and objective 3 at \$5,150; Section 5, objective 1, task b, c, d, e, f, g and h at \$154,262; Section 6, objective 1 at \$61,866 and 2 at \$5,733; Section 7, objective 1 task a, c, d, e, f, g and h at \$28,633. Totaling \$350,000

Project 198710001 Budget effect on base program (Project 198710001) :

FY 2002	FY 2003	FY 2004
Increase \$350,000	Increase \$350,000	Increase \$350,000

Umatilla issue 2: ISRP "Disagree - Not Fundable" recommendation for the Umatilla Fish Hatchery Monitoring and Evaluation - Project 199000500.

Evaluate juvenile rearing, adult survival, stock life history, straying, fish health and sport fishing and catch contribution for salmon and steelhead reared in oxygen supplemented and standard raceways at Umatilla Hatchery.

Staff recommendation: A determination is needed to ensure that the stated purpose for the artificial production initiative and specific goal and objectives can be assessed under the current study designs. This

² Section 4, objective 2, task a - f funded at a lower level to reflect funding for the base program and passive restoration (as described in the issue document) to cover staff salaries, travel and support.

determination needs to be completed prior to future commitment to the program and Council staff suggests that this be conducted by the ISRP. This review needs to address not only the overarching goal of the assessment, but also the specific questions in the ISRP review (ISRP Document 2001-8). In addition the long-term outcome from the evaluation as it relates to the artificial production initiative being monitored needs to be addressed. Budget reflects the anticipation of the project Implementation and out-year-funding dependant on the review.

Council staff and ISRP will determine an approach to conduct an additional review. This will most likely will involve an additional submittal and may involve ISRP and sponsor interaction via teleconference.

Budget effect on base program (Project 19900500):

FY 2002	FY 2003	FY 2004
Increase \$626,178	Increase \$631,381	Increase \$572,848

Umatilla issue 3: ISRP “Disagree - Not Fundable” recommendation for Design and Construct Umatilla Hatchery Supplement; Project 198805302

This project proposes to develop a supplement to the Umatilla Hatchery Master Plan to include the additional spring chinook production and the facilities required to produce this spring chinook production objectives as outlined in the original master plan. The goal is to produce 589,000 spring chinook yearlings at South Fork Walla Walla as initially proposed in the Umatilla Hatchery Master Plan and the 1993 draft supplement (under NEOH - Umatilla). In addition this master plan will address relocation of production of 100,000 spring chinook from Carson NFH and 360,000 spring chinook from Umatilla Hatchery to the South Fork Walla Walla.

This project has been at Step 1 of the Three-Step Review Process since 1997. Numerous submittal dates have not been met (i.e. November 16, 1998 and May 3, 1999). The Council's Fiscal Year 2000 funding recommendation concluded that until completion and approval of a Master Plan as part of the Step 1 review process, all activities associated with this project should be funded at a level for this specific master-planning task. This funding level will be maintained until Council receives and approves Step 1 documents that clearly answers the technical questions required to be answered as part of the Three-Step review process. Though requested on January 27, 2000 no submittal date has been received for the master plan submittal.

BPA recommends that this project be deferred pending the completion of essential habitat and passagework. In addition, BPA has determined that there is a need to the priority of this effort in context to other artificial production initiatives in the Columbia Basin.

Staff recommendation: The staff concluded that the ISRP's criticisms are appropriate, but should be addressed as part of the Step 1 (i.e. master plan) submittal. This proposal has been in existence since the late 1980's, as part of the Northeast Oregon Hatchery Project, and to date no progress has occurred. The step one submittal is to be delivered by April 30, 2002. No new funds, additional funds are dependent on the submittal and favorable review of a master plan and securing funds through budget reallocations. Budgets for this effort need to be defined and determined through the quarterly review process.

Budget effect on base program (Project 198005302):

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

Umatilla issue 4: “Fundable In Part” for Umatilla Basin Natural Production Monitoring and Evaluation - Project 199000501

Evaluate natural spawning, rearing, migration, survival, age and growth characteristics and life histories of adult salmon, steelhead, bull trout and mountain whitefish, and their naturally produced progeny in the Umatilla River Basin

Staff recommendation: Though the ISRP was critical of the project and the inadequacies of the response, they also acknowledged the benefits of the project to date. The principle concern by the ISRP was that objectives 1,3,5 and 6 are adequate enough to ensure that results are accurate. Council staff concurs with this recommendations and request Bonneville to ensure the ISRP recommendations are addressed and implemented in contracting

Budget effect on base program (Project 199000501):

FY 2002	FY 2003	FY 2004
Increase \$95,000	Increase \$95,000	Increase \$95,000

Umatilla Issue 5: Habitat acquisition proposals 200002300 Horn Butte Philippi property and 200020116 Horn Butte BAIC tract these proposals would fund habitat acquisition to protect disappearing shrub steppe habitat. The BAIC tract is a particularly sensitive property. It functions as one of the last available pieces of shrub steppe that serves as a home for the Washington ground squirrel, a listed species under Oregon endangered species law.

Staff recommendation: . To warrant funding, these proposals would need to demonstrate that it protects existing high-quality habitat, or connects to historic quality habitat. Both proposals would qualify under those criteria. Oregon has proposed a habitat acquisition placeholder for the Columbia Plateau province in the Oregon subbasins. They have developed a prioritized list for acquisitions. The BAIC tract 200020116 ranks first; the Philippi property 200002300 ranks third. The Council would also have to be willing to recommend the proposals in light of uncertainty regarding Bonneville’s crediting response as discussed in General Issue 5.

Budget effect on base program (Projects 200020116, 200002300, 23084):

FY 2002	FY 2003	FY 2004
Increase \$200,000	Increase \$2,000,000	Increase \$1,900,000

Umatilla Issue 6: Develop a progeny marker to evaluate supplementation, Project 25059

The CTUIR proposes a research project to develop a chemical marker to distinguish hatchery fish from wild populations. The project has received support from NMFS as addressing RPA 184, with two conditions 1) that there is a benefit to this method over a molecular method and 2) that all hatchery fish are marked. Bonneville gave the proposal a Category A funding designation.

Staff Recommendation: Though the Council has tended to disfavor research prior to subbasin planning, staff believes like NMFS and Bonneville that the project could provide a useful tool for distinguishing hatchery fish from wild populations. The project has relatively low costs and would be worthy of Council support.

Budget effect on base program (Project 25059):

FY 2002	FY 2003	FY 2004
Increase \$149,665	Increase \$152,151	Increase \$198,661

Umatilla Issue 7: Power Repay Umatilla Basin Project, Project 198902700

Costs for Power Repay Umatilla Project #198902700 have more than doubled from last years budget figure, up from \$800,000 last year, to \$1,750,000 projected for FY 02. In 1999, the power repayment cost was \$500,000. This project provides power or reimbursement of power costs to the Bureau of Reclamation for Umatilla Basin Project pumping plants that provide Columbia River water to irrigators in exchange for Umatilla River water left instream. It is not clear why costs have escalated.

Staff Recommendation: BPA has revised the estimate to \$1,000,000 per year. In addition, request that BPA provide a report to the Council regarding the repayment terms for the Umatilla Basin Project pump exchange. Bonneville must report on how the project is managed, how costs were historically determined, and the formula for the current cost estimate.

Budget effect on base program (Project 198902700):

FY 2002	FY 2003	FY 2004
No Effect	No Effect	No Effect

Umatilla Issue 8: Morrow County Buffer Initiative, Project 25047

Proposal 25047 may help resolve the implementation of Biological Opinion RPA 153. NMFS has commented that the project will implement RPA 153 only through permanent or long-term easements. Bonneville noted that the project would meet RPA 153 and placed it in its A category.

Staff Recommendation: Staff believes the proposal will help implement RPA 153 and Oregon places great emphasis on these types of locally driven proposals in implementing the Oregon Plan.

Budget effect on base program (Project 25047):

FY 2002	FY 2003	FY 2004
Increase \$77,086	Increase \$77,377	Increase \$77,657

Umatilla Issue 9: Characterize genetic differences and distribution of freshwater mussels, Project 25093

ISRP provided a Fund In Part recommendation for the distribution work submitted in Proposal 25093. CBFWA rated the entire project as High Priority. Thus, the Council has a consensus recommendation for the distribution portion of the proposal.

Staff Recommendation: Freshwater mussels were an important subsistence species for the CTUIR. Given the cultural significance of the freshwater mussels and the lack of any knowledge base as to their population levels and distribution, staff recommends funding the distribution work proposed in the study.

Budget effect on base program (25093)

FY 2002	FY 2003	FY 2004
Increase \$220,000	Increase \$228,000	Increase \$237,000

Walla Walla Subbasin

Walla Walla ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
199601100	Walla Walla River Juvenile and Adult Passage Improvements	CTUIR	High Priority	Agree - Fundable (p.66)	450,000	2,856,000	6,356,000	465,300	481,120	497,478
199604601	Walla Walla Basin Fish Habitat Enhancement	CTUIR	High Priority	Agree if funded in part (p.105)	251,122	287,407	287,407	259,660	0	0
199802000	Assess Fish Habitat and Salmonids in the Walla Walla Watershed in Washington	WDFW	High Priority	Agree - Fundable (p.69)	158,490	362,652	863,652	163,879	169,451	175,212
200002600	Rainwater Wildlife Area	CTUIR	High Priority	Agree - Fundable (p.66)	279,744	303,546	908,038	289,255	299,090	304,926
200003900	Walla Walla Basin Natural Production Monitoring and Evaluation Project	CTUIR	High Priority	Agree if funded in part (p.27)	330,880	472,244	1,460,244	342,130	353,762	365,790
200020139	Walla Walla River Fish Passage Operations	CTUIR	High Priority	Agree - Fundable (p.67)	0	109,551	418,880	109,551	113,276	117,127
Subtotal 'ongoing/base'					1,470,236	4,391,400	10,294,221	1,629,775	1,416,699	1,460,533

Walla Walla other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25017	Fabricate and install new Huntsville Mill fish	WDFW, YSS	High Priority	Agree - Fundable	0	102,217	232,717	102,217	120,000	10,500

Walla Walla other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
	screen			(p.51)						
25066	Manage Water Distribution in the Walla Walla River Basin	OWRD	High Priority	Agree - Fundable (p.68)	0	552,525	1,397,300	552,525	498,799	345,976
25082	Walla Walla River Flow Restoration	WWBWC	High Priority	Agree - Fundable (p.69)	0	478,000	478,000	478,000		
Subtotal 'other proposals'					0	1,132,742	2,108,017	1,132,742	618,799	356,476

Walla Walla issue 1: ISRP ‘disagreeable - Not Fundable’ recommendations for constructing NEOH Walla Walla facilities; Project 200003800.

BPA feels that this proposal is not a high priority and that funds in the basin should be focused on completing the correction of critical habitat issues.

This project proposes to add incubation/juvenile rearing capabilities to the existing South Fork Walla Walla adult holding/spawning facility (i.e. Umatilla Hatchery Satellite Facility) to produce spring chinook salmon and acclimate summer steelhead for release in the Walla Walla River Basin. To date no progress has been made on this Master Plan for the Walla Walla.

The project has been at Step 1 of the Three-Step Review Process since 1997. Numerous submittal dates have not been met (i.e. November 16, 1998 and on October 4, 1999). The Council’s Fiscal Year 2000 funding recommendation concluded that until completion and approval of a Master Plan as part of the Step 1 review process, all activities associated with this project should be funded at a level for this specific master-planning task. Bonneville, in consultation with the sponsor, determined that the appropriate funding level for this effort to be \$100,000. This funding level will be maintained until Council receives and approves Step 1 documents that clearly answers the technical questions required to be answered as part of the Three-Step review process. To date no progress has been made on this Master Plan for the Walla Walla. Though requested on January 27, 2000 no submittal date has been received for the master plan submittal.

Staff recommendation: The staff concluded that the ISRP’s criticisms are appropriate, but should be addressed as part of the Step 1 (i.e. master plan) submittal. This proposal has been in existence since the late 1980’s, as part of the Northeast Oregon Hatchery Project, and to date no progress has occurred. The step one submittal is to be delivered by August 31, 2002. No new funds, additional funds are dependent on the submittal and favorable review of a master plan and securing funds through budget reallocations. BPA feels that this proposal is not a high priority and that funds in the basin should be focused on completing the correction of critical habitat issues.

Budget effect on base program (Project 20003800)³:

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

Walla Walla issue 2: ISRP “Agree if funded in part” recommendations regarding Walla Walla Basin Fish Habitat Enhancement; Project 199604601.

³ This is a ‘remaining proposals’ and received a do not fund from the ISRP review, therefore no change to the base budget.

The project intends to protect and restore habitat critical to the recovery of weak or reintroduced populations of salmonid fish in the Walla Walla Basin thereby promoting natural ecological function and improved water quality and quantity. Though the ISRP provided a fundable in part recommendation they had concerns regarding standard protocols and geomorphic prescription developments as it relates to the watershed assessment.

Staff Recommendation: The staff concludes that the ISRP’s comments highlight concerns about the continuing watershed restoration, to this degree and intensity, without a better link of an assessment and geomorphic stability. The sponsor response to the Final ISRP Recommendation addressed most of these ISRP concerns.

The staff recommends continued funding of the project and passive restoration strategies (e.g. screening, riparian buffers) pending subbasin planning. The staff recommends that the budget not include funding for aggressive channel design/implementation techniques as addressed in Section 5, objective 1, task h (i.e. “bioengineering techniques” and construction of instream structures”) and Section 4, objective 1, task e. It is assumed that this well not have a budgetary effect. BPA needs to ensure the FY 2002 Budget and SOW reflects the base program and passive restoration strategies (e.g. screening, riparian buffers) and that budgets for FY 2003 and 2004 also maintain the passive restoration strategies pending subbasin planning..

Budget effect on base program (Project 199604601):

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

Walla Walla Issue 3: Hunt’s Mill screen proposal (25017)

This project was initially recommended for funding by the Council to Bonneville in the Action Plan solicitation in June 2001. BPA deferred this project to the Columbia Plateau for funding. NMFS has designated this project as consistent with the overall BiOp off-site mitigation strategy and actions (assigning a “500” rating) as a flow, passage, screening or water acquisition/lease project. The ISRP finds this project ‘Fundable. This is a carefully prepared proposal, it includes a good background to describe the problem. The proposal includes a monitoring element to verify that small fish are in fact prevented entry to the irrigation withdrawal system. The need has been demonstrated and prioritized.”

Staff Recommendation: See discussion above and fund as identified below and in the funding tables.

Budget effect on base program (Project 25017):

FY 2002	FY 2003	FY 2004
Increase \$120,000	Increase \$120,000	Increase \$10,500

Walla Walla Issue 4: Walla Walla River Flow Restoration (25082)

This project is part of the effort to restore flows in the Walla Walla by lease or purchase of water rights and farm water use efficiencies. There is a cost share exceeding 50% when in-kind contributions are considered. It is asserted that 5 to 7 cfs would be conserved in a critical flow-impaired area.

Staff Recommendation: This project will restore flow to a critical reach of the Walla Walla and may represent an opportunity lost if deferred until after subbasin planning. NMFS has commented that this project could correspond only to RPA 500. Bonneville expressed concerns that the project contained no guarantees that conserved water allocated to instream use in Oregon would be protected through Washington. The project is part of a bi-state effort to implement flow restoration in the Walla Walla and is a high priority for the State of Oregon. Staff recommends funding the project, but also believes that Bonneville should seek assurances through the contracting process that all protected flows remain protected within Washington, possibly through the inclusion of the Washington Water Trust or Department of Ecology in the project.

Budget effect on base program (Project 25082):

FY 2002	FY 2003	FY 2004
Increase \$478,000	No change	No change

Walla Walla Issue 5: Walla Walla tributary screening program (Project 199601100). ISRP “fundable” recommendation.

Project intends to provide safe passage for migrating juvenile and adult salmonids in the Walla Walla Basin by constructing and maintaining passage facilities at irrigation diversion dams and canals. BPA considers this a very expensive undertaking that is not linked to the streams flows as they exist in the subbasin. BPA recommends that this effort be defined and presented in the subbasin planning effort.

Staff Recommendation: Council staff concurs with BPA’s findings that continuing the implementation of the project should be addressed as part of the subbasin planning effort. Therefore, funding for this project should address anticipated cost share needs of the COE, O&M, M&E and (FY 2002 Section 5, objective 1 task f; Section 6, objective 1 task g, and Section 7, objective 1 task h.

Budget effect on base program (Project 199601100):

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

Walla Walla Issue 6: Walla Walla Basin Natural Production Monitoring and Evaluation Project (#200003900). ISRP “Fundable in part”.

Project intends to monitor and evaluate natural spawning, rearing, migration, survival, age and growth characteristics and life histories of adult salmon, steelhead, bull trout and mountain whitefish, and their naturally produced progeny in the Walla Walla River Basin. The ISRP recommended the funding of Objectives 2, 6, and 7, and that the efforts outlined in Objectives 1, 3, 4, and 5 must show that it is not handicapped by the problem experienced with the Oregon coastal coho salmon monitoring as implemented from the 1950’s to the 1990s, which was inadequate and gave inaccurate results.

Staff Recommendation: The Umatilla Tribe has proposed changes to incorporate the Oregon Plan sampling protocol as supported by the ISRP. Modifications include the addition of methods recently developed and implemented by the Oregon Department of Fish and Wildlife (ODFW) for the Oregon Plan.

Integration of stratified-random panel sample design to our existing fixed sites for spawning, juvenile rearing, and habitat surveys were also added. to the project would continue evaluating the outmigration, age and growth and life histories of naturally produced salmonids. Increased costs associated with integration of the EMAP methodologies. The project would increase \$156,756 (from \$482,244 to \$639,000).

Budget effect on base program (Project 200003900):

FY 2002	FY 2003	FY 2004
Increase \$156,756	Increase \$156,756	Increase \$156,756

Yakima Subbasin

Yakima ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
198506200	Passage Improvement Evaluation	PNNL	High Priority	Agree - Fundable (p.77)	100,000	113,587	347,059	103,400	106,916	110,551
198811525	Yakima/Klickitat Fisheries Project (YKFP) Design and Construction	YN	High Priority	Agree if funded in part (p.20)	978,000	1,595,000	8,286,000	1,011,252	1,045,635	1,081,186
198812025	Yakima/Klickitat Fisheries Project (YKFP) Management	YN	High Priority	Agree - Fundable (p.21)	800,000	1,262,548	5,295,760	827,200	855,325	884,406
199105700	Fabricate and install Yakima Basin Phase II fish screens	WDFW, YSS	High Priority	Agree - Fundable (p.75)	71,875	159,889	179,889	74,319	20,000	0
199107500	Yakima Phase II Screens - Construction*	USBR	High Priority	Agree - Fundable (p.76)	1,000,000	600,000	1,200,000	600,000	500,000	100,000
199200900	Operate and Maintain Yakima Basin Phase II Fish Screens	WDFW, YSS	High Priority	Agree - Fundable (p.75)	135,000	148,557	467,505	139,590	144,336	149,243
199206200	Yakama Nation - Riparian/Wetlands Restoration	YN	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.92)	1,370,000	1,750,000	5,250,000	1,416,580	1,464,744	1,514,545
199405900	Yakima Basin Environmental Education	USBR	High Priority	Agree - Fundable (p.80)	127,500	130,000	397,000	130,000	132,000	135,000
199503300	O&M Of Yakima Phase II Fish Facilities	USBR	High Priority	Agree - Fundable (p.75)	100,000	110,293	350,293	103,400	106,916	110,551
199506325	Yakima/Klickitat Fisheries Project Monitoring And Evaluation	YN	High Priority	Agree if funded in part (p.15)	3,708,932	3,883,332	12,914,597	3,835,036	3,965,427	4,100,251
199506425	Policy/Technical Involvement and Planning in the Yakima/Klickitat Fisheries Project	WDFW	High Priority	Agree - Fundable (p.21)	15,000	187,800	580,472	187,800	193,435	199,237
199603501	Satus Watershed Restoration Project	YN	High Priority	Agree - Fundable (p.80)	160,000	352,966	1,111,691	165,440	171,065	176,881
199701325	Yakima/Klickitat Fisheries Project Operations and Maintenance	YN	High Priority	Agree - Fundable (p.19)	2,350,000	2,549,774	8,567,865	2,429,900	2,512,517	2,597,942
199705100	Yakama Nation Yakima/Klickitat Fisheries Project (YKFP) Yakima Side Channels	YN	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.22)	546,553	2,320,624	6,281,719	565,136	584,350	604,218
199705300	Toppenish-Simcoe Instream Flow	YN	High Priority	Agree - Fundable	237,503	281,830	711,830	245,578	225,000	205,000

Yakima ongoing/base projects										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
	Restoration and Assessment			(p.81)						
199803300	Restore Upper Toppenish Watershed	YN	High Priority	Agree - Fundable (p.79)	190,000	268,517	846,617	196,460	203,140	210,046
199803400	Yakama Nation Yakima/Klickitat Fisheries Project (YKFP) Reestablish Safe Access into Tributaries of the Yakima Subbasin	YN	High Priority	Agree - Fundable (p.22)	784,794		860,000	0	230,000	237,820
199901300	Ahtanum Creek Watershed Assessment	YN	High Priority	Agree - Fundable (p.80)	200,192	235,093	765,093	206,999	214,036	221,314
Subtotal 'ongoing/base'					12,875,349	15,949,810	54,413,390	12,238,090	12,674,842	12,638,191

Yakima other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
25002	Protect, enhance, and maintain habitat on the Sunnyside Wildlife Area to benefit wildlife and fish assemblages.	WDFW	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.93)	0	418,874	1,215,706	418,874	398,416	398,416
25012	Assessment of bull trout populations in the Yakima River watershed.	WDFW	High Priority	Agree - Fundable (p.39)	0	243,947	558,947	243,947	165,000	150,000
25013	Restore Riparian Corridor at Tapteal Bend, Lower Yakima River		High Priority	Agree - Fundable (p.78)	0	160,500	177,000	160,500	11,000	5,500
25020	Acquire Rattlesnake Slope Addition	RMEF	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.92)	0	3,542,500	3,542,500	3,542,500		
25021	Implement Actions to Reduce Water Temperatures in the Teanaway Basin	WA Ecology	High Priority	Agree - Fundable (p.81)	0	172,950	301,275	172,950	100,825	27,500
25022	YKFP Big Creek Passage & Screening	WDFW	High Priority	Agree - Fundable (p.23)	0	175,280	205,280	175,280	30,000	
25023	Yakima-Klickitat Fisheries Project - Manastash Creek Fish Passage and Screening	YKFP - WDFW	High Priority	Agree - Fundable (p.24)	0		1,055,473		632,835	422,638
25024	Yakima-Klickitat Fisheries Project - Wilson Creek Snowden Parcel Acquisition	YKFP - WDFW	BPA Crediting ? - High Priority	Agree - Fundable (p.24)	0	206,580	206,580	206,580		
25025	YKFP -- Secure Salmonid Spawning and Rearing Habitat on the Upper Yakima River	WDFW	BPA Crediting ?-High Priority	Agree - Fundable (p.23)	0	2,300,000	2,438,000	2,300,000	69,000	69,000
25026	Yakima Tributary Access and Habitat Program (YTAHP)	KCWP	High Priority (Objective 2 only)	Agree - Fundable (p.74)	0	17,500	17,500	17,500		
25031	Naches River Water Treatment Plant Intake Screening Project.	COY	High Priority	Agree - Fundable (p.50)	0	0	0	0		
25032	Wenas Wildlife Area Inholding Acquisitions	WDFW	BPA Crediting ? - High Priority	Agree if funded in part (p.95)	0	706,143	716,143	706,143		10,000
25036	The Impact of Flow Regulation on Riparian Cottonwood Ecosystems	BQI	High Priority	Agree - Fundable (p.77)	0	225,495	430,066	225,495	134,421	70,150

Yakima other proposals										
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 start of year	FY 2002 Proposed	FY 02-04 Proposed	FY02 rec.	FY03 rec.	FY04 rec.
	the Yakima River Basin									
25054	Increase Naches River In-stream Flows By Purchasing Wapatox Hydroelectric Project	YN	High Priority	Agree - Fundable (p.49)	0	0	0	0		
25062	Growth Rate Modulation in Spring Chinook Salmon Supplementation	NMFS	High Priority	Agree - Fundable (p.79)	0	313,294	977,979	313,294	325,826	338,859
25078	Acquire Anadromous Fish Habitat in the Selah Gap to Union Gap Flood Plain, Yakima River Basin, Washington	USBR	BPA Crediting ? - High Priority	Agree - Fundable , High Priority (p.91)	0	3,000,000	9,000,000	3,000,000	3,000,000	3,000,000
Subtotal 'other proposals'					0	11,483,063	20,842,449	11,483,063	4,867,323	4,492,063

Yakama issue 1: New proposals in the Yakima subbasin

As discussed in the general issues of this memorandum, there is not sufficient funding to initiate all of the new proposals that were rated as “fundable” by the ISRP and rated as “High Priority” by CBFWA in the Columbia Plateau province within the basinwide funding target of \$186 million for Fiscal Year 2002. This is because funding all such proposals would not leave sufficient funds to initiate new proposals in the provinces that remain to be reviewed in the provincial review process. Therefore, the Council and its staff have worked with local entities to further prioritize new work, and asked them to put a premium on new work that represents consensus of the state and tribal resource managers that is consistent with Bonneville’s BiOp needs. In the Yakima subbasin a collaborative effort was undertaken to prioritize Fiscal Year 2002 new needs along these guidelines. The following new proposals are those that were rated in this process as the highest priority at this time:

a) Project ID: 25022: YKFP Big Creek Passage & Screening

NMFS has designated this project as consistent with the overall strategy of the BiOp off-site mitigation strategy and actions (assigned a “500” rating) as a flow, passage, screening or water acquisition/lease project. The ISRP finds that “...streamflow availability will be adequate to restore the 10 miles of Big Creek to anadromous fish production,...with no deleterious impacts on native resident fish stocks above the currently existing barrier, ...(and) that this looks like a relatively inexpensive project that deserves higher priority (i.e., provide more fish production benefits per dollar) than most of the cohort of new fish-related Yakima tributary proposals.”

b) Project ID: 25025: YKFP -- Secure Salmonid Spawning and Rearing Habitat on the Upper Yakima River

NMFS has designated this project as corresponding directly to RPA action item 150, which seeks to protect currently productive non-federal habitat in subbasins with listed species. This project is designed to purchase 370 acres of upper Yakima River wetlands through fee simple acquisition to secure spawning and rearing habitat for salmonids.

c) Project ID: 25013: Restore Riparian Corridor at Tapteal Bend, Lower Yakima River

NMFS has designated this project as consistent with the overall strategy of the BiOp off-site mitigation strategy and actions (assigned a "500" rating) as a flow, passage, screening or water acquisition/lease project. The ISRP has determined that, "This high visibility project has excellent potential as a demonstration and education project. It could also contribute to improving water quality in the lower river."

d) Project ID: 25021: Implement Actions to Reduce Water Temperatures in the Teanaway Basin

NMFS has designated this project as consistent with the overall strategy of the BiOp off-site mitigation strategy and actions (assigned a "400" rating as a riparian implementation project. The ISRP is supportive, finding that, "The proposal is well written and is especially good in that it includes provision for analysis of the data collected. This is a continuation of an earlier project to provide additional instream flow by increasing irrigation efficiency, stabilizing streambanks, etc. The Teanaway was one of the top producers of spring chinook, steelhead, and coho in the Yakima watershed. It has good restoration potential."

e) Project ID: 25024: Yakima-Klickitat Fisheries Project - Wilson Creek Snowden Parcel Acquisition

NMFS has designated this project as corresponding directly to RPA action item 150, which seeks to protect currently productive non-federal habitat in subbasins with listed species. d

f) Project ID: 25023: Yakima-Klickitat Fisheries Project - Manastash Creek Fish Passage and Screening

NMFS has designated this project as consistent with the overall strategy of the BiOp off-site mitigation strategy and actions (assigned a "500" rating) as a flow, passage, screening or water acquisition/lease project. Funding for this project is not required until FY 03. The project will provide fish passage and screening for 5 irrigation diversions and will enhance stream flow, which is currently a limiting factor downstream of these diversions. This project could restore access to approximately 30 miles of good habitat. The ISRP finds a "Good argument is put forth in support of funding this effort now rather than deferring to the next funding cycle."

g) Project ID: 25058: Fish Passage Inventory and Corrective Actions on WDFW Lands in the Yakima Subbasin

NMFS has designated this project as corresponding directly to RPA action item 154, which requires BPA work with the Council to ensure development and updating of subbasin assessments and plans; match state and local funding for coordinated development of watershed assessments and plans; and help fund technical support for subbasin and watershed plan implementation from 2001 to 2006. The ISRP finds this project "Fundable in part to assess the problems in the context of the larger watershed (objective 1, task 1). Further funding for corrective action should be contingent on identification of priority sites and preparation of more specific information on costs and benefits." The Council is recommending only partial funding for this project (only that portion supported by the ISRP).

h) Project ID: 25100: Protect Normative Structure and Function of Critical Aquatic and Terrestrial Habitat

NMFS has designated this project as consistent with the overall BiOp off-site mitigation strategy and actions (assigning a "400" rating as a riparian implementation project. The ISRP determined that this project is "Fundable in part at reduced costs as proposed by project sponsors." The Council is recommending partial funding for this project (\$349,000 in each fiscal year 2002 through 2004). The ISRP disagreed with the CBFWA "do not fund" recommendation, and supported funding the proposal in part. The Council funding recommendation is for that portion of the proposal supported by the ISRP. Subsequent funding remains contingent upon completion of the assessments, integration of this program with other projects in the Selah floodplain, and Council approval.

i) Project ID: 25078: Acquire Anadromous Fish Habitat in the Selah Gap to Union Gap Flood Plain, Yakima River Basin, Washington

This project was initially recommended for funding by the Council to Bonneville in the Action Plan solicitation in June 2001. BPA deferred this project to the Columbia Plateau for funding. NMFS has designated this project as corresponding directly to RPA action item 150, which seeks to protect currently productive non-federal habitat in subbasins with listed species. The purpose of this project is to acquire essential anadromous fish habitat (flood plains, riparian zones, wetlands, and water rights). The ISRP finds the project "Fundable, High Priority". Further, the ISRP states, "The objectives are consistent with regional programs and are a high priority. The proposal is well written and is well coordinated with groups and agencies. The reviewers liked the idea of an urban (semi-urban?) demonstration project to show that a community can be proud of, and profit from, the river that flows through it rather than simply thinking of it as a conduit." Council funding is contingent on a cost share with the Bureau of Reclamation where Bonneville's share should be less than 50%. This is a one-time funding contribution only.

Budget effect on base program (Yakima Issue 1 Projects):

Project Number	FY 2002	FY 2003	FY 2004
25013	Increase \$160,500	Increase \$11,000	Increase \$5,500
25021	Increase \$172,950	Increase \$100,825	Increase \$27,500
25022	Increase \$175,280	Increase \$30,000	0
25023	0	Increase \$632,835	Increase \$422,638
25058	Increase \$205,300	Increase \$180,300	Increase \$180,300
25100	Increase \$349,000	0	0
25024	Increase \$206,580	0	0
25025	Increase \$2,300,000	Increase \$69,000	Increase \$69,000

Yakima issue 2: Funding increases for ongoing projects above the standard Fiscal Year 2001 budget plus 3.4%.

As discussed above in the general issues, the general principle applied to ongoing projects has been to hold them at their Fiscal Year 2001 approved budget levels plus 3.4%. In prioritizing the available funds, local entities and managers agreed that some ongoing projects should have their budgets increased in order to meet local priorities and address ESA based needs. The following ongoing projects are recommended for funding increases above the general 3.4% increase:

a) Project ID: 199105700: Fabricate and Install Yakima Basin Phase II Fish

NMFS has designated this project as consistent with the overall BiOp off-site mitigation strategy and actions (assigning a "500" rating as a flow, passage, screening or water acquisition/lease project. The ISRP finds that, "This project is part of a long-standing program that would appear to have contributed significantly to survival improvements in downriver salmonid migrants.

b) Project ID: 199200900: Operate & Maintain (O&M) Yakima Basin Phase II Fish Screens

NMFS considers this project part of the environmental baseline presumed in the 2000 FCRPS Opinion, affecting the survival of broods returning as adults during the base period, and which will continue to influence survival at the same rate in the proposed project. The ISRP finds the "...proposal would continue O & M on Yakima basin screens, clearly an essential, routine component of the process."

c) Project ID: 199603501: Satus Watershed Restoration Project

NMFS has designated this project as consistent with the overall BiOp off-site mitigation strategy and actions (assigning it a "400" rating) as a riparian implementation project. This is an ongoing watershed scale restoration project intended to protect and enhance habitat for the native threatened summer steelhead stock, and a variety of cultural and natural resources. The ISRP finds, "It is clear that project activities have succeeded in reduction and management of grazing; the review panel now looks forward, in future reviews, to seeing those results translated into additional restoration of fish habitat and fish numbers."

Budget effect on base program (Yakima Issue 2 Projects):

Project Number	FY 2002	FY 2003	FY 2004
199105700	Increase \$85,580	Increase \$20,000	0
199200900	Increase \$8,767	Increase \$11,248	Increase \$14,121
199603501	Increase \$187,526	Increase \$199,060	Increase \$211,719

Yakima issue 3: ISRP "fund in part" recommendations for Yakima Fisheries Project monitoring an evaluation; Project 199506325

This program monitors efforts in the Yakima River associated with natural production, artificial production initiatives, harvest, ecological and genetic impacts. The proposed budget requests \$3,708,932 in FY 2002 and \$12,934,574 over three years.

The ISRP review (p. 9-19) was generally favorable to the core proposals for the Yakima/Klickitat Fisheries Project (YKFP) and their accomplishments to date. The ISRP's primary concern was associated with the current inadequacies of this project in the experimental design to assess the artificial production initiatives in the basin. The ISRP provided extensive task specific comments and recommendations, and recommended tentative funding for the project conditioned on the resolution of the evaluation design.

The YKFP monitoring and evaluation project is large and complex. In addition the history of the project is equally complex. There is a need in the short term to make a determination on the link of the current experimental design to what was expressed and approved in the master plan by the Council in October 1987 and the Environmental Impact Statement completed by Bonneville in 1996. During the EIS's preparation period, the Council endorsed the managers' proposal to "tier" the Project's production and research activities by bringing them online in gradual stages. The first (tier) targeted the supplementation of depressed populations of upper Yakima River spring chinook. This initial phase also included research designed to determine the feasibility of re-establishing a naturally spawning population and a significant fall fishery of coho salmon in the Yakima Basin (*previously Evaluate the Feasibility and Potential Risks of Restoring Yakama River Coho Project #199603302 - High Priority Supplementation Project #12*). Additional tiers of the YKFP include the supplementation of fall chinook (*previously Supplementation and Enhance the Two Existing Stocks of Yakama River Fall Chinook Project #199603301 - High Priority Supplementation Project #13*) and steelhead.

Staff recommendation: The staff recommendation does not have a significant impact on the amount of funding proposed for this project. However, what follows is an extensive and detailed staff recommendation for the implementation of this proposal that is based on the ISRP recommendations and staff communication with the project sponsors.

A determination is needed to ensure that the stated purpose for the artificial production initiative(s) and specific objectives can be assessed under the current study design and that it is linked to approved documents. This determination needs to be completed prior to future commitment to the program and Council staff suggests that this be conducted by the ISRP with initial interpretation provided by Bonneville (i.e. utilizing historical documents and environmental reviews). In the meantime, the Council asks Bonneville to reserve a placeholder for the project pending ISRP review and a positive funding recommendation regarding the issue raised by the ISRP under Section 7, objective 3, task c. Council staff and ISRP will determine an approach to conduct an additional review. This will most likely involve an additional submittal and may involve ISRP and sponsor interaction via teleconference. Cost associated with this effort will be determined during the review and secured through prioritization of the objectives and task of the budget recommended for this project. In addition the ISRP in their review provided task specific recommendations. Council staff concurs with this recommendations, and request Bonneville to ensure these recommendations are addressed and implemented in contracting

Additional information regarding Section 7, objectives 3 and 4 is needed to understand the linkage of the individual task and priority to the overall assessment of the project. These objectives need to be included in the overall determination of the association to previous review and approvals and the necessity of the tasks

to assess the program. Sampling allocation as defined in Section 7, objective 3, task a need to be reviewed prior to funding. This can be accomplished in the review by the ISRP as mentioned above.

The remaining objectives and tasks are not as clearly defined in their current form. There is need to separate out species specific efforts targeted for the particular efforts going (i.e. spring chinook, coho, fall chinook and steelhead). As part of the planning efforts staff requests that specific objectives, tasks and budgets be developed for each of the identified species (i.e. spring chinook, coho and steelhead). As expressed to the Yakama Nation and The Washington Department of Fish and Wildlife on March 22, 2000 in a Fish and Wildlife committee decision on March 21, 2000 regarding the use of the Yakima Trout Facility for rearing coho, there is a need to do a comprehensive review of the other restoration activities that are currently being pursued (i.e. coho and fall chinook). This aggregation of the various species under one project, without clearly articulating goals and objectives, has raised significant concerns regarding the alignment of the current study design and the development of other production initiatives without a master plan and fiscal planning. Therefore, given that this project (1) is addressing an "experimental" phase for artificial intervention into other species and continues to grow (e.g. cost) and change, (2) has recently been reviewed in conjunction to the provincial review which identified the need to clarify the intent regarding coho, and (3) also is addressing other species in the subbasin, it appears valuable to take up the issues regarding these other species in a step review process. These step reviews need to address all species, except for spring chinook, and address master planning elements as provide to the Yakama nation by letter on February 20, 1998. Future funding for these objectives and tasks are conditioned on the submittal and favorable review of master plans. To a lesser extent this needs to address elements of Section 4, objective 1, task a, and Section 7, objective 1, task n that address all the species. Also see Yakima Issue 2 regarding the capital requests associated with the other species.

Budget effect on base program (Project 199506325) :

FY 2002	FY 2003	FY 2004
No effect	No effect	No effect

[Note: Increase based on the removal of Section 7, objective 1, task i, and objective 3, task c. Out-year objective based budget is FY 2002 cost.]

Yakima issue 4: ISRP "agree if funded in part" recommendations for Yakima Fisheries Project Design and Construction; Project 198811525.

The Yakima/Klickitat Fisheries Project (YKFP) proposes to construct new office space at the Nelson Springs site (Section 5, objective 1, task a, b and c at \$1,375,000) and completion of the construction for the Interpretative Center (Section 5, objective 2, task a at \$220,000) at Cle Elum Supplementation and Research Facility (CESRF). In addition the proposal outlines anticipated costs with additional production initiatives in out-years. The proposed budget of \$3,736,000 over three years (Fiscal Year 2002, 2003 and 2004) addresses some of the anticipated costs for these proposed production initiatives associated coho (total at \$15 million for Fiscal Year 2005 and 2006), fall chinook (total at \$5 million for Fiscal Year 2005 and 2006) and steelhead (total at \$10 million for Fiscal Year 2006). Costs and out year budgets associated with these initiatives will be dependant on the outcome of the specific step reviews (see Project 199506325)

This project was addressed by the Council in their recommendations to Bonneville for funding the direct program for Fiscal Year 2001. As part of the summary of issues there were a small number of specific projects with issues that required additional Council consideration and consultation with the sponsor and Bonneville (i.e. "parking lot"). Therefore, recommendations were not ready for these specific projects when the full block of ongoing projects was recommended in September 2000.

On January 17, 2001 the Council recommended that the facility at Nelson Springs would be dependant on the outcome of the ongoing provincial review and the review and approval. The budget amount for this effort was recommended to Bonneville for interim planning and permitting processes at \$200,000. In addition the Council recommended that Bonneville provide oversight to the project element to ensure budgetary compliance and balance to the provincial review process and the resulting decision.

The construction of an interpretive center at the Cle Elum Supplementation and Research Facility, at \$200,000 was determined by the Council staff to be a policy issue. The element was determined to be a discretionary item. After deliberation the Council denied a favorable funding recommendation for construction and signing the interpretive center.

Staff recommendation: As part of the Fiscal Year 2001 funding decision the Council provided funds for planning and permitting so the Yakama Nation could provide a master plan that outlines and justifies the need and cost effectiveness of the proposed facility. In addition, the Council requested Bonneville to provide oversight and guidance to ensure budgetary and review compliance. To date no information has been received and funds for the construction of an office facility should not be reserved (Section 5, objective 1, task a, b and c).

As part of the Fiscal Year 2001 funding decision the Council denied funding for the construction of an interpretive center at the Cle Elum Supplementation and Research Facility, at \$200,000. The element was determined to be a discretionary item. Council staff would assume that this decision is still applicable (Section 5, objective b, task a).

Out-year capital costs associated with the artificial production initiatives for coho, fall chinook and steelhead will be deferred and dependent on a favorable step review process, as referenced in Yakima issue 1, and securing funds through budget reallocations.

Budget effect on base program (Project 198811525):

FY 2002	FY 2003	FY 2004
Decrease of (1,011,252)	Decrease of (1,045,635)	Decrease of (1,081,186)

Yakima issue 5: Habitat acquisition proposals.

There are many proposals (both new and ongoing) that focus on habitat acquisition in the Yakima subbasin (25002, 25020, 25024, 25025, 25032, 25078, 199206200, 199603501, and 199705100). Some of these proposals focus on acquisitions of habitat primarily as a strategy to benefit listed anadromous fish,

others appear to focus on habitat for wildlife, and others appear to address both. Given the limits available under the target budget for Fiscal Year 2002, each of these projects cannot be fully funded. In order to prioritize among these proposals, the Council may wish to consider the following. First, as stated throughout this memorandum, those proposals that received consensus support by local resource managers that are consistent with the BiOp or are consistent with its off-site mitigation strategy are favored. This would prioritize those acquisition proposals that are exclusively or primarily designed to benefit anadromous fish. Further, the Council should consider its program language that puts a priority on mitigating for wildlife habitat losses in areas of the basin where mitigation efforts have lagged. This program principle was one of the driving considerations for the Council's support for extensive habitat acquisition funding in the Mountain Columbia and Inter-Mountain provinces completed earlier. The Yakima subbasin has received substantial mitigation funding for construction/inundation losses to wildlife habitat in the past, and is not, relatively speaking, an area where wildlife mitigation efforts are lagging behind.

Projects 25024, 25025, 25078, 199603501, 199206200 and 199705100 all have a substantial focus on protecting habitat for listed anadromous fish in the Yakima subbasin. In addition, the first five of those projects were identified in the local collaborative process as priority projects. (See Yakima Issues 1 and 2 above). On the other hand, project 25020, 25002, and 25032, while apparently meritorious projects based on the ISRP and CBFWA reviews, have a substantial wildlife habitat component.

Staff recommendation: In light of the above considerations -- emphasis on anadromous fish, local priorities, the Yakima subbasins relatively advanced level of wildlife mitigation for construction losses -- the staff recommendation is to support funding for the proposals that focus on anadromous fish benefits -- 25002, 25024, 25025, 25078, 199603501, and 199705100. The amounts of funding for each of those proposals have been discussed identified in the issues discussed previously.

Budget effect on base program (Yakima Issue 5 Projects):

Project Number	FY 2002	FY 2003	FY 2004
25078	Increase of \$875,000	Increase of \$875,000	0

Yakima issue 6: Toppenish-Simcoe Creek flow restoration

This project was recommended under the "Action Plan" process. Thus, there is no funding need from the Columbia Plateau budget in Fiscal Year 2002. The O&M elements were reviewed in the province review and are supported for funding by ISRP and CBFWA.

Staff Recommendation: Support funding for the O&M in the out-years as proposed in the base budget.

Budget effect on base program (Project 199705300):

FY 2002	FY 2003	FY 2004
Decrease of \$245,578	No effect	No effect

APPENDIX A

Staff Proposed Proposal Evaluation Criteria

1. As a matter of first priority, maintain adequate funding for the operation and maintenance and monitoring and evaluation of **ongoing projects** that continue to meet the standards of the ISRP, are supported in the CBFWA and public reviews, and demonstrate compliance with any Council conditions imposed in prior approvals.

The Council wants to clearly state what it means to support continued O&M and M&E funding for “ongoing projects”. While it has been the norm for sponsors to reveal their expectations about how a project may grow or evolve in the out-years, the Council’s past funding recommendations have always been linked to specific objectives and tasks for a single fiscal year. Regardless of various statements of out-year expectations in the proposals, the Council’s past approvals have been for particular work in a particular fiscal year, and have not implied approval or endorsement of out-year work. There have been exceptions to this general rule, and item 2. below applies to those exceptions.

Therefore, priority funding for operation and maintenance and monitoring and evaluation applies to only that work previously specifically approved by the Council. Reference to past approval documents and the sponsor/Bonneville contracts will identify the specifically approved tasks within ongoing projects.

2. As a secondary-level priority, provide funding to multi-step or phased **ongoing projects** that are prepared to take the next anticipated and logical step in their development. It will need to be demonstrated (likely in the past project approval documents) that both the sponsor *and the Council* anticipated the subsequent phase or step. The best examples are artificial production facility proposals in the three-step review process, and the large-scale habitat acquisition initiatives that contemplate subsequent parcel acquisition. Decisions will take into account the results of ISRP, CBFWA and public reviews, and compliance with any Council conditions imposed in prior approvals.

3. As a second- level priority (co-equal with 2. above) provide funds to **new and ongoing projects** that protect currently productive, high quality habitat, and/or provide connections to historic habitat. *Note that this applies to wildlife habitat as well as fish habitat.* This is a primary basin-level objective and strategy of the 2000 Fish and Wildlife Program, which itself is a habitat-based program. It will be important to demonstrate that the habitat is of high quality and to document the species of interests’ association with that habitat. For proposals that seek to “connect up” habitat, it will be important to show that the habitat being accessed is historic and quality habitat. It is highly encouraged that this documentation should consider and state how the basin-level environmental characteristics that were adopted in the 2000 program apply to the habitat subject to the proposal. (Note-- this criterion *does not* support funding for further enhancement or rehabilitative work on the subject habitat). Decisions will take into account the results of ISRP, CBFWA and public reviews, and compliance with any Council conditions imposed in prior approvals.

4. Also as a secondary-level priority (co-equal with 2. and 3. above) provide funds to those **new and ongoing** projects that can be shown to respond to Reasonable and Prudent Action Items for which Bonneville has been assigned responsibility. The Council will ask Bonneville to confirm its position that these projects will be relied upon to meet its RPA obligations. The Council will take into account the results of ISRP, the CBFWA and public reviews, and Bonneville’s statement of how the proposal corresponds to a specific RPA Action Item. In the Columbia Plateau province habitat related proposals are numerous.

Therefore, the Council offers the following guidance on how it views the Reasonable and Prudent Alternative's Habitat Action Items that apply in this province.

- a. Action Item 149 -- The Council will look for projects that call for a Bonneville complement to Bureau of Reclamation activities in "priority subbasins" (the John Day in the Columbia Plateau province) to address flow, passage, and screening problems.
- b. Action Item 150 -- The Council will look for projects that seek to protect currently productive non-federal habitat in subbasins with listed species. Note that the key is protection of *currently productive habitat*. As stated in 2. above, the sponsors' documentation that the habitat is currently productive should expressly take into account the basin-level environmental characteristics adopted in the 2000 program. The Council does not understand acquisition proposals (or other protection proposals) that contemplate significant restoration or enhancement to be responsive to Action Item 150.
- c. Action Item 151 -- The Council will flag proposals that are aimed at increasing tributary flows, and ask Bonneville to declare whether or not it intends to rely upon them (at least in part) to respond to the directive to invest in experimental, innovative ways to increase tributary flows.
- d. Action Item 152 -- The Council look for projects that provide an opportunity to coordinate activities designed to address water quality activities of federal, state, regional, and local entities and tribes with actions required of the Action Agencies to improve habitat. Coordination or cost-sharing elements should be evident and a substantial element of the proposal. The Council will ask Bonneville to confirm that any proposals identified will be relied upon as a response to this Action Item.
- e. Action Item 153 -- The Council will look for projects that partner with agricultural incentive programs to secure riparian protection for streams that provide habitat for listed salmonids. The proposals should be aimed at a partnership that provides for long-term (greater than 15 years) to permanent protection.
- f. Action Item 154 -- This item calls upon Bonneville to work with the Council to update subbasin assessments and plans. The Council will evaluate proposals for subbasin assessments and planning and technical support for subbasin and watershed plan implementation to see how they are or may be coordinated with the Council's subbasin planning process.

It must be emphasized that the Council understands Action Item 154 to call for Bonneville to fund state and local assessment and planning activities, and technical support *where it is coordinated with the NPPC subbasin planning initiative that will guide longer-term off-site mitigation under the Biological Opinion and also be the foundation for ESA Recovery Planning*. This is an important clarification, as it appears that there are many proposals that contain subbasin or watershed assessment or planning activities that are not coordinated with the NPPC subbasin planning initiative referenced in the Biological Opinion and All H Paper.

In sum, the Council staff believes that Action Item 154 should not be interpreted as an open-ended invitation for assessments and planning. Because the RPA and "All- H Paper" identify the Council as

the lead entity for subbasin assessments and planning, Bonneville should only be responsible for funding projects to respond to RPA 154 when they demonstrate coordination with the formal region-wide subbasin planning initiative proceeding under the Council's program. **See related Issue 4. below.**

Action Item 155 -- The Council will flag proposals that may be aimed at mainstem habitat research, sampling, and/or improvement. If proposals are identified, Bonneville will be asked to confirm that they will be relied upon (at least in part) to respond to this Action Item.

5. As a second level priority (co-equal with 2., 3. and 4. above) where there are new projects that have been developed and coordinated with a broad coalition of local interests, including, for example, local governments, tribes, state agencies, agriculture interests and others, and there is consensus support, fund the projects. For example, the Governor's office of the state of Washington engaged a facilitator to conduct a collaborative process to identify high priority salmon recovery projects in the Columbia Plateau. Participating were the Yakima tribes, federal agencies and state agencies, local governments, irrigation districts, and farm organizations. The projects organized were supported by a consensus of all parties in this process. In all cases, funding recommendations will take into account the ISRP, CBFWA and public review, and guidance in the Council program.
6. As a third- level priority, provide funding for proposed **new** projects that demonstrate that they present an opportunity to protect, mitigate, or enhance fish and wildlife that will be lost if delayed until after subbasin plans are completed (next 1-4 years). Science, public and CBFWA reviews will be considered.
7. As a fourth-level priority, and as such a disfavored category of proposal, the Council will consider funding **new or expanded** research initiatives. This is a disfavored proposal category because the Council believes that new research initiatives need to be informed by the research plan that is in progress and/or subbasin planning.

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