



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

ENVIRONMENT, FISH AND WILDLIFE

November 1, 2007

In reply refer to: KEW-4

Mr. Tony Grover

Fish and Wildlife Division Director

Northwest Power and Conservation Council
851 SW Sixth Avenue, Suite 1100
Portland, OR 97204-1348

Dear Mr. Grover:

In accordance with the Budget Oversight Group (BOG) process, the BOG conducted the fourth quarterly review of within-year budget and/or scope modification requests for Fiscal Year 07 [submissions reviewed by BOG in July, August, and September]. These requests were presented at the October Fish and Wildlife Committee Meeting, and a 14-day public comment period was opened. No comments were received. As a result of the BOG review, consideration of any comments, and subsequent further analysis by BPA staff, the following requests are submitted to Council for evaluation and recommendations.

BPA will consider the Northwest Power and Conservation Council (Council) recommendations and reassess the status of contract commitments, billings to date, and end-of-year accrual projections before making final decisions to adjust individual project budgets.

BPA reviews each request for technical merit and management priority. BPA staff has assessed the current list of requests and have arrived at the following recommendations.

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

Category

- 1. Emergency** - Acts of God or the unforeseen loss of mechanical infrastructure that necessitates an extraordinary action to avoid the imminent loss of fish or wildlife resources; imminent threat to human health or safety.
- 2. ESA Commitment of BPA** - A new or ongoing project that directly implements actions committed to by the Action Agencies to implement biological opinions. New projects will be reviewed by the Independent Scientific Review Panel (ISRP), BPA and the Council prior to BPA funding.

3. Project Integrity - Actions necessary for the project, though not of an emergency nature, to avoid the loss of a previous project investment; including major project review (i.e. step review) that would:

- a. Jeopardize the performance of the entire project; or
- b. Jeopardize the performance of a discrete task or objective of the project causing:
 - 1. Adverse biological consequences to the project; or
 - 2. The loss of monitoring and evaluation data;

4. Lost Opportunity - New or ongoing projects that respond to a limited opportunity to benefit the fish and wildlife resource and that opportunity will be permanently lost if the requested budget increase and associated work is not approved. “Lost opportunity” constitutes a highly scrutinized status and does not necessarily constitute an automatic approval.

5. Other - Any project not deemed by the BOG to fall into the four categories defined above. The loss of capability to administer the project also falls into this category. Examples of this type of request might include a cost-of-living increases or increases in indirect rates. Because these costs should be addressed through project contracting, it is unlikely that these projects would receive a high priority in the quarterly review process.

The following request are being addressed in accordance with the schedule of the BPA/Council within-year process; they were discussed at the July, August and September Quarterly BOG meetings, forwarded to the Council to initiate the 14-day public review process, and are now being forwarded to the Council for its recommendation.

Project Funding Requests – BPA Recommended

Category 3a

Project Number: 1988-115-25

Project Name: YKFP Design & Construction (Cle Elum Hatchery Well Field Monitoring)

Contractor: CH2M Hill

BPA-COTR: Patty Smith

Budget Amount: \$126,500 during 2008-2012 [\$102,500 in FY08 and \$6,000 in each FY for FY09-12]

Funding Type: Capital

Explanation of need: The State of Washington Department of Ecology (DOE) amended the Cle Elum Hatchery Temporary Permits associated with Water Right Applications in June 2007. The amended permit is to conduct further collection of groundwater data during hatchery operations (long duration well field monitoring) and to authorize beneficial use for continuous fish propagation. Without the additional groundwater data, DOE cannot issue a Final permit to extract groundwater for hatchery operation and thus the option to use groundwater for hatchery operation will be eliminated. This request presents tasks planned over the next five years to comply with the requirements contained in the Amended Temporary Permits. It will result in a groundwater supply required for continued operation of the Cle Elum Hatchery and issuance of the groundwater permits to support those water needs. The aquifer used for hatchery well water has not returned to levels that existed prior to operation of the hatchery wells. The aquifer appears to be stabilizing within predictable levels each year although not at the levels previously observed. Because of ground water level trend uncertainty, DOE finds that additional conditions must be met and that continuous monitoring and reporting is required to demonstrate that beneficial use under this permit can be managed to achieve the non-consumptive parameters of the application and permit. The duration of the Temporary permit authorization is limited to the life of the facility so long as the property is used for YKFP artificial fish production and associated research or unless sooner revoked.

The monitoring is a requirement under YKFP's water permits. BPA supports meeting the terms of its permits and continuing this work.

Category 3b1**Project Number:** 1988-053-08**Project Name:** Hood River Powerdale Dam / Oak Springs / Pelton Ladder O&M**Contractor:** Oregon Department of Fish and Wildlife**BPA-COTR:** Sarah Branum**Budget Amount:** \$21,515 in '08 project budget and \$21,515 in '09 project budget**Funding Type:** Expense

Explanation of need: Spring Chinook salmon production in the Hood River Subbasin was proposed and approved by Council and ISRP at 125,000 smolts annually for FY07-09. BPA's FY 2007-2009 decision did not provide full requested funding and as a result, co-managers choose to reduce Chinook smolt production to 75k for 2008 release. Given current smolt-to-adult ratios, this may result in a failure to attain escapement and brood collection goals. Co-managers are requesting additional funds to restore Chinook production to 125k smolts. ODFW will require an additional \$21,515 added to this project during FY08 and FY09 to produce, mark, and transport a total of 125,000 spring Chinook smolts for release in the Hood River basin. The within year request was mistakenly completed for FY07; these additional funds are needed for FY08 and FY09. The co-managers had hoped for a decision earlier this summer prior to spawning, which has now been completed. Without the requested funding, a portion of the eggs will have to be destroyed. The Hood River Production Program managers are in the process of revising its Master Plan, and will provide a new document to Council in the near future. They prefer to not reduce spring Chinook smolt production right now, just before the whole program is set to be reviewed by Council and ISRP.

BPA supports this request for \$21,515 for each FY2008 and FY2009. Future funding requirements for this program is dependant on the outcome of the Master Plan.

Project Number: 1995-033-00**Project Name:** Yakima Phase II Screen O&M**Contractor:** Department of Interior, Bureau of Reclamation**BPA-COTR:** Jonathan McCloud**Budget Amount:** \$8,877 (added to '06 contract which ended 4/30/2007)**Funding Type:** Expense

Explanation of need: The Bureau of Reclamation (BOR) is requesting an additional \$8,877 be added to the Yakima Phase II Screen O&M project (1995-033-00, contract 27195) budget to cover O&M work performed on the Toppenish Pump Phase II Screen site.

The Toppenish Pump Phase II Screen site has never been dewatered for a thorough inspection of the underwater infrastructure. In order to dewater the site, stop-log guides and stop-logs needed to be installed so that inspection and maintenance of the complete structure could occur. Once this work began, it became apparent to the BOR that this work was going to take more time and manpower than expected. The work could not be left half finished because the site needed to be fully dewatered and inspected for proper operation. The extra time and man hours needed to complete this work required more money than originally budgeted.

A major flood event occurred in November 2006 that also caused annual/routine maintenance to take longer than expected which led to more of the projects budget to be used at a quicker rate than anticipated.

BPA supports this request for \$8,877.

Category 3b2

Project Number: 2001-003-00

Project Name: Installation and Evaluation of Established PIT-tag Technologies

Contractor: Pacific States Marine Fisheries Commission

BPA-COTR: Jan Brady

Budget Amount: \$123,895 in '08 project budget

Funding Type: Expense

Explanation of need: Upgrade, enhancement and standardize of the transceivers designed for use at Bonneville Dam Powerhouse-2 Corner Collector (B2CC) in order to provide maximum accuracy, uptime and reliability of the Bonneville Corner Collector PIT Tag interrogation equipment.

Technical issues and constraints were first learned about during the current migration season, and were unknown when original project was scoped and planned. B2CC is an important data collection site for researchers in the Columbia River Basin (CRB). In the effort to minimize downtime and/or degraded interrogation performance, standardization and optimization of the transceivers is imperative. In the event of a malfunction, an optimally performing transceiver must be available for immediate deployment. The performance of the system is measured by "hits per tag" (the number of times a PIT Tagged fish is successfully read as it passes through the B2CC antenna), along with "read range" (how far from the antenna a PIT Tag will start to be read). PSMFC working with DA and NMFS has established minimum standards for these performance parameters. When a transceiver falls below these standards, we need to have a replacement transceiver ready to install that meets the standards. This is essential if the site is to maintain the integrity of the data that PTAGIS collects for the fisheries community.

The B2CC transceivers are the most technologically advanced in the world; their development was necessary to enable detections in the huge antenna (17' by 17') that surrounds the exit flume of the corner collector at the Bonneville Dam. There are four transceivers, but each is unique because they were researched and developed as incremental prototypes and were improved during the development process. The B2CC transceivers are not in production.

In order to detect the modulation of a 12-mm tag in such a large antenna, these transceivers need to be more sensitive than the ones located at other PIT Tag monitoring sites throughout the Columbia River Basin. Unfortunately, a byproduct of that sensitivity is that these transceivers sometimes record PIT Tag codes that are not always real, as environmental electromagnetic noise sometimes produces a pattern that meets the basic definition of a tag. In an attempt to limit the number of these nonsense or spurious tag codes from being recorded in the permanent data

files collected at the site, PSMFC has written a custom version of MiniMon (the PTAGIS data collection software). This non-standard version of MiniMon presents a maintenance burden, diverting PTAGIS software engineers from their tasks. The B2CC transceiver's weaknesses need to be overcome so that PTAGIS software engineers only need to maintain one production version of MiniMon for use in the CRB. An attempt will be made to minimize and/or eliminate spurious tags as stated with Software Item #6.

Enhancing the remote control capabilities of the B2CC transceiver would also be beneficial. This would translate into increased uptime and potentially more PIT Tag detections. It also would translate into lower maintenance costs, as the number of visits by personnel having to travel to the site would be reduced.

BPA supports this request of \$123,895 to enhance B2CC Software and upgrade B2CC Hardware.

Category 4

Project Number: 2002-014-00

Project Name: Sunnyside Wildlife Mitigation (Acquire 35 acres of Yakama River floodplain habitat)

Contractor: Washington Department of Fish and Wildlife

BPA-COTR: Joe DeHerrera

Budget Amount: \$47,200 in '08 project budget

Funding Type: Expense (submitted as Capital)

Explanation of need: The property to be acquired is the last in holding within a 2,800 acre management unit. Acquisition will complete continuous public ownership of 13 miles of river frontage and assure no future fragmentation of riparian habitat occurs. Due to location within a river bend, the 35 acres provide one mile of shoreline habitat. Acquisition will provide additional HU's in the riparian forest habitat type, which is severely limiting within the Subbasin.

The request does not indicate the dam which the mitigation would be applied. It is anticipated that WDFW and the Regional HEP Team will provide a crediting status report to BPA in October 2007. BPA's support of this acquisition is contingent upon available habitat units.

BPA agrees that protecting contiguous acres of habitat is the best way to protect and enhance species of fish and wildlife. WDFW, Colville Tribe and Spokane Tribe will initiate letters concurring that HU's can be applied to Grand Coulee Dam. BPA supports this request.

Category 5

Project Number: 1988-053-01

Project Name: Grande Ronde/Imnaha Endemic Spring Chinook Supplementation-NEOH

Contractor: Nez Perce Tribe

BPA-COTR: Ken Kirkman

Budget Amount: \$6,981 in '07 project budget

Funding Type: Expense

Explanation of need: As part of managing and administering this project (#119), NPT proposes to maintain the BPA property on Granger Road and implement the General Road Maintenance Agreement for Granger Road between BPA and Wallowa County. The buildings and grounds were purchased by BPA as future components of the Lostine River Hatchery facility and are part of the final design planning (#170). However, the vacant buildings have not been maintained in the past and are in need of repair. Funding is needed to:

- 1) Repair plumbing problems and associated damage in both the main house and guest house. Both the wooden batter board siding and wood deck are in a neglected condition
- 2) Clean, stain and seal these wood structures.
- 3) Maintain a greenbelt lawn around the buildings since surrounding grounds are overgrown with high grass and weeds. This dry plant material has created a severe fire hazard to the BPA property as well as to other neighborhood homes.
- 4) Implement the agreement and participate with the neighbors in the maintenance of the unimproved access road (Granger Rd.) leading to the BPA house currently maintained by the Nez Perce Tribe through agreement with BPA and Wallowa County.

This request is supported in part (only item 4 listed above). BPA supports adding \$2,000 to project 1998-007-02 (expense) for the laying of gravel on the road.

Project Number: 2007-407-00

Project Name: Regional Coordination for Upper Snake River Tribes

Contractor: Compact of the Upper Snake River Tribes (USRT)

BPA-COTR: David Byrnes

Budget Amount: \$160,659 in '08 project budget

Funding Type: Expense

Explanation of need: Two distinct sets of work being proposed here: 1) External regional coordination and participation, outreach, “clearinghouse” and facilitation services for members, technical reviews, etc – activities similar to those being currently performed by the five entities with FY07 regional coordination contracts (CBFWA, CRITFC, UCUT, Kalispell Tribe, and Spokane Tribe). 2) Work to hire an executive director, set up an office, etc – basically, work to prepare the infrastructure that could eventually support the activities under #1 above. (See section “9g. Facilities and equipment” of the project narrative document.)

BPA supports in part. BPA is willing to provide funds to establish the USRT organization through March 31, 2008. Actual costs will be negotiated and added to the current CBFWA contract. After April, a new separate contract will be negotiated.

Project Funding Requests – BPA Not Recommended

Category 3b2

Project Number: 2002-053-00

Project Name: Assess Salmonids in the Asotin Creek Watershed

Contractor: Washington Department of Fish & Wildlife

BPA-COTR: Roy Beaty

Budget Amount: \$113,437 in '08

Funding Type: Expense

Explanation of need: The sponsor (WDFW) requests reinstatement (continuation) of requested funding in FY08, in response to BPA's decision to reduce the projects funding by approximately 50%. The project has been slated for closure after partial funding in FY2008. The project is collecting steelhead and salmon population data from Asotin Creek. However the usefulness of the data goes beyond simple stock status monitoring. We provide an explanation of how project data can be used as part of a basin wide supplementation evaluation which is a critical unknown for ESA and for the FCRPS Biological Opinion, and argue for reinstatement of requested project funding. If the project is discontinued, valuable and highly usable reference population data will be lost and if effective supplementation evaluations are to be achieved, a similar reference stream study will have to be initiated elsewhere. This would constitute a significant data loss and delayed opportunity to begin evaluating supplementation against a reference/control population.

BPA is consistent with our previous decision to close the project. BPA does not support this request.

Category 5

Project Number: 1998-004-01

Project Name: Columbia Basin Bulletin

Contractor: Intermountain Communications

BPA-COTR: Molly Moreland

Budget Amount: \$25,000 in '08 project budget

Funding Type: Expense

Explanation of need: BPA's decision document funded the CBB for FY 2008 at \$100,000. The NPCC in June 2007 approved a cost-share of \$15,000 for FY 2007. Some of that \$15,000 will be used to supplement the remainder of the FY 2007 months and some will carryover into use for FY 2008. The requester maintains that entering into FY2008 at this budget level jeopardizes the ability of the CBB to continue to serve stakeholders at current level, and reduces the ability to provide complete information about the Amendment process, the new FCRPS Biological Opinion, many other important on-going issues and processes tracked by stakeholders across the Basin.

We continue to support the activities of the CBB, and do not believe that BPA should be the entire funding source. BPA does not support this request.

Project Funding Requests – Deferred

Project Number: 2003-023-00

Project Name: Chief Joseph Hatchery Program

Contractor: Colville Confederated Tribes

BPA-COTR: Linda Hermeston

Budget Amount: \$4,000 in '07 project budget, \$61,389 in '08 project budget, \$122,778 in '09 project budget...

Funding Type: Expense

Explanation of need: The Chief Joseph Hatchery program will be used to introduce extirpated spring Chinook salmon to historical habitats in the Okanogan River and increase the abundance, distribution, diversity and productivity of naturally spawning populations of summer/fall Chinook in the Okanogan River and in the Columbia River above Wells dam for the purpose of providing a tribal ceremonial and subsistence fishery as well as assisting BPA in meeting it's FCRPS mitigation responsibilities. The Chief Joseph Hatchery Facility will provide the CCT with tribal employment opportunities, especially the salmon culturist positions required at the facility. Currently there are not enough experienced tribal member salmon culturists available in the CCT workforce to meet the needs required at this new hatchery facility. In order to meet this need, the CCT has developed a draft training plan that that should provide well trained tribal salmon culturists to be ready to meet the salmon culture requirement of this hatchery facility in a timely manner.

The within year request for '07 is for \$4,000 (\$2,000/month for 2 students) to cover a stipend and living expenses for the month of September and also requested funds in the amount of \$61,389 in FY08 (2-students), \$122,778 in FY09 (4-students) and \$61,389 for FY10 (2-students). The CCT will cost share by covering the cost of books and tuition. The tribe is also pursuing grant to assist covering 08 funding.

	<i>students</i>	<i>months</i>	<i>amount per month</i>				<i>total</i>
Stipend	2	9	\$2,000.00				\$36,000.00
Salary, Fringe and Overhead				<i>total salaries</i>	<i>fringe</i>	<i>overhead</i>	
	2	540	\$ 11.70	\$ 12,636	0.2000	0.3773	\$20,884.28
							\$56,884.28

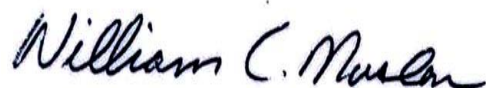
BPA defers a decision on this request at this time.

Summary

In summary (see appendix 1), the total of expense funding requested in this letter is \$225,002 and the total capital funding requested in this letter is \$108,500. We believe these projects are consistent with priorities identified during previous Council provincial reviews and/or other BPA and Council discussions.

Please feel free to contact either Greg Dondlinger at 503-230-5065 or me at 503-230-5499 for further information or if you have any questions.

Sincerely,



William C. Maslen
Director for Fish and Wildlife

cc: (Electronic mail)

Mr. Mark Fritsch, Northwest Power and Conservation Council
Ms. Patty O'Toole, Northwest Power and Conservation Council
Mr. Karl Weist, Northwest Power and Conservation Council
Ms. Stacy Horton, Northwest Power and Conservation Council
Ms. Joann Hunt, Northwest Power and Conservation Council
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Mr. Brian Lipscomb, Columbia Basin Fish and Wildlife Authority
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bcc:

S. Cramer – FRP-2
B. Maslen – KEW-4
R. Austin – KEW-4
G. Dondlinger – KEWB-4
C. Hanan – KEWB-4
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M. Shaw – KEWU-4

COTRs:

M. Moreland – KEWB-4
S. Branum – KEWL-4

D. Byrnes – KEWL-4
L. Hermeston – KEWL-4

J. McCloud – KEWL – 4
P. Smith – KEWL – 4
R. Beaty – KEWU-4
J. DeHerrera – KEWU-4
K. Kirkman – KEWU-4
J. Brady – KEWR – 4

Official File – KEW-4 (EX-15-18)

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Appendix 1

			Project Year Budget affected					
			Expense				Capital	
Project Number	Funding Type	BPA recommendation	06/07	07/08	08/09	09/10	08/09	09/10
1988-115-25	Capital	support					\$ 102,500	\$6,000
1988-053-08	Expense	support			\$ 21,515	\$21,515		
1995-033-00	Expense	Support	\$8,877 *					
2001-003-00	Expense	support			\$ 123,895			
2002-014-00	Expense	support			\$ 47,200			
1988-053-00	Expense	support		\$ 2,000				
2007-407-00	Expense	support			to be negotiated**			
		TOTAL	\$8,877	\$ 2,000	\$192,610 plus amount negotiated**	\$21,515	\$102,500	\$6,000
2003-023-00		Deferred						
2002-053-00		not support						
1998-004-01		not support						

* Amount will be added to 06/07 budget period to match the contract, however the funds will be spend during FY08.

** Actual costs will be negotiated and added to their 08/09 budget.