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### Issue summary for Columbia Plateau provincial review decisions

#### 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 which 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 \$64.6 million in Fiscal Year 2002, \$49.5 million in 2003 and \$45.4 million in 2004.** These budgets are referred to as the “base budgets” in each year. As you proceed through the project specific issues in this memorandum, there are boxes titled “**Effect on base budget**” and the amounts in those boxes are added to or deducted from these consensus priority base totals.

*Update based on August meeting Council guidance and CBFWA review:*

At its August meeting in Portland, the Council staff advised the Council that if the full \$66.3 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 needs to decide if it wishes to initiate that discussion, or it will insist that the fish and wildlife managers demonstrate that this is a state and/or tribal policy issue at the highest levels and take the initiative to and call for such discussions. To date, it is unclear that states and tribes have made this a policy matter at the Agency Director or Tribal Council level.

**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. 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.

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

If the Council follows the staff recommendation for General Issue 1, staff proposes the following set of principles to establish budgets for Columbia Plateau and the remaining provinces yet to be reviewed:

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, consider funding 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.

### **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. As of this writing, the Council staff has not received sufficient guidance from NMFS as to which projects proposed in the Columbia Plateau may respond to the off-site action items in the BiOp to permit this integration. Further, this has stymied 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 time 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. For BiOp habitat work, these six action items are all that is required of the action agencies prior to subbasin planning. 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. Unfortunately, to date the NMFS and action agencies have not committed the resources to the steps of the provincial review process subsequent to the solicitation to make integration successful. Specifically, those agencies have not yet engaged sufficiently in the subbasin summary development process to describe BiOp needs, and have not 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 since the last Council discussion at the September 26-27 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.

As of October 11, Bonneville is still completing its own review of the proposals and considering NMFS' review. We hope Bonneville will provide the Council advice on whether it will accept individual proposals as meeting all or part of its implementation needs under the Bi-Op. We also understand that Bonneville may still propose an independent implementation of specific RPAs outside of the provincial review process. We expect a briefing on this from Bonneville staff at the October 18 work session.

**Staff Recommendation:** Postpone the development of a *complete* Committee funding recommendation for the Columbia Plateau in order to apply the funding principle 4 in General Issue 2. Above (support new projects that implement BiOp action items). Obtain Bonneville's confirmation of which proposals will be accepted as part of its implementation needs. The Committee may elect to move forward with some project recommendations pending this ESA applicability guidance where the funding principles discussed above in General Issue 2 warrant (provided that the Committee recommends accepting the proposed funding principles).

**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. 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, 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 is considering a staff proposal 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." This includes the EDT based information that is available for all subbasins. It is possible that funding for new and ongoing assessment proposals may be redirected to the subbasin planning effort. This would seem to require: (1) a demonstration that currently existing assessment information has been considered and is deemed not adequate for planning, (2) a Council and Bonneville decision regarding how much Bonneville funding will be available for subbasin planning, and (3) agreement from those leading planning in the subbasin that the Bonneville funding determined available for the subbasin should be prioritized for this assessment activity.

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 encourage 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 ratio n 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 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. The staff is unaware of any Fish and Wildlife Service BiOp or Recovery Plan assignment to Bonneville for bull trout action funding.

**Staff Recommendation:** Unless and until the Fish and Wildlife or Bonneville articulates an ESA based obligation to Bonneville, for purposes of the Council's funding recommendations, treat proposals dealing with bull trout as any other legitimate fish and wildlife program proposal that does not have an ESA connection. Thus, the principles set forth in issue 3 above would guide the Council's consideration of these projects. (Pending completion of the provincial reviews and subbasin plans, ongoing projects would receive O&M and M&E funding, and new projects would need to be related to protecting existing high quality habitat or establishing connections to historic quality habitat).

**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.

There are at least three such projects exploring continuing funding under the Columbia Plateau, including 200005200 (Upstream migration of Pacific lampreys - John Day River), 25036 (The impact of flow regulation on riparian cottonwood ecosystems in the Yakima River Basin) and 25052 (Sex Reversal in Hanford Reach Fall Chinook Salmon).

**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 an innovative project.

## Subbasin Specific Issues

### Crab Creek Subbasin

Crab Creek 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
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
25042	Pygmy rabbit recovery - captive breeding	WDFW	High Priority	Agree - Fundable (p.86)	0	220,914	461,118
25043	Northern Leopard Frog Distribution and Habitat Association	WDFW	High Priority	Agree - Fundable (p.87)	0	41,754	156,354
199106100	Swanson Lakes Wildlife Area (SLWA)	WDFW	High Priority	Agree - Fundable (p.86)	255,921	290,238	845,512
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
<b>Subtotal 'consensus priority projects'</b>					255,921	1,761,281	3,207,984

Crab Creek 'remaining proposals'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25030	Factors limiting the shrubsteppe raptor community in the Columbia Plateau Province of eastern Washington	WDFW	Recommended Action	Agree - fundable (p.100)	0	16,580	172,990
25039	Effects of agricultural conversion on shrubsteppe wildlife and condition of extant	WDFW	Recommended Action	Agree - Fundable (p.101)	0	681,215	2,006,030

Crab Creek 'remaining proposals'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
	shrubsteppe habitat						
25041	Wildlife Escape Ramps	WDFW	Do Not Fund	NA - Policy Decision (p.103)	0	52,185	133,680
25046	A cooperative approach to evaluating avian and mammalian responses to shrubsteppe restoration in the Crab Creek Subbasin	WDFW	Recommended Action	Agree - Fundable (p.101)	0	141,184	419,796
25089	The Effects of Agriculture on Amphibians of the Columbia Plateau	WDFW	Recommended Action	Disagree - Not Fundable (p.121)	0	121,945	301,945
<b>Subtotal 'remaining proposals'</b>					<b>0</b>	<b>1,013,109</b>	<b>3,034,441</b>

**Crab Creek issue 1:** Bonneville funding responsibility for wildlife surveys and recovery programs; Proposals 25042 and 25043. Wildlife crediting issue for proposal 25001.

**Initial staff recommendation:** Funding support for 25042 and 25043 depends on Council resolution of General Issue 2. above (funding principles – new assessments and planning). Initial review of the staff indicates that these new proposals would not likely be funded if the funding principles were adopted. Funding of Project 25001 is dependent on Council resolution on the proposed funding principles (if accepted, is the subject habitat high quality, productive habitat), as well as resolution of General Issue 5 (regarding willingness of Council to recommend habitat acquisition in light of uncertainty of Bonneville's position on wildlife crediting).

**Budget effect on base program:**

FY 2002	FY 2003	FY 2004
Not estimated	Not estimated	Not estimated

**Deschutes Subbasin**

Deschutes 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25007	Determine lamprey species composition, larval distribution and adult abundance in the Deschutes Subbasin	CTWSRO	High Priority	Agree - Fundable (p.41)	0	125,440	341,382
25010	Regional Stream Conditions and Stressor Evaluation	ODEQ	High Priority	Agree - Fundable (p.52)	0	180,000	540,000
25014	Establish Riparian Buffer Systems	Wasco SWCD	High Priority	Agree - Fundable (p.32)	0	67,119	204,497
25015	Emergency Flow Augmentation for Buck Hollow	Wasco SWCD	High Priority	Agree - Fundable (p.51)	0	0	0
25074	Deschutes Water Exchange	DRC	High Priority	Agree - Fundable (p.53)	0	1,000,000	2,835,100
198805306	Hood River Production Program (HRPP): Hatchery O&M - Portland General	PGE	High Priority	Agree - Fundable (p.53)	0	165,859	557,854

<b>Deschutes 'consensus priority projects'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
	Electric - Enron						
199404200	Trout Creek Habitat Restoration Project	ODFW	High Priority	Agree if funded in part (p.104)	358,846	414,170	1,264,443
199405401	Bull Trout Abundance Monitoring in the Lower Deschutes River formerly "Bull Trout Genetics, Habitat Needs, L.H. Etc. In Central And N.E. Oregon"	CTWSRO	High Priority	Agree - Fundable (p.38)	0	0	0
199802800	Trout Creek Watershed Improvement Project	JCSWCD	High Priority	Agree if funded in part (p.104)	118,100	465,100	996,700
<b>Subtotal 'consensus priority projects'</b>					<b>476,946</b>	<b>2,417,688</b>	<b>6,739,976</b>

<b>Deschutes 'remaining proposals'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
25005	Bighorn Sheep reintroduction to the Warm Springs Reservation	CTWSRO	Recommended Action	Disagree - Not Fundable (p.114)	0	70,862	117,802
25009	Assess Watershed Health and Coordinate Watershed Councils in Wasco County, Oregon	Wasco SWCD	Recommended Action, Do Not Fund (Objective 3 and Fifteenmile Creek portion of Objective 5)	Agree - Fundable (p.97)	0	70,290	202,490
25027	An Assessment of Neotropical Migratory and Resident Bird-Habitat & Bird-Salmon Relationships in Riparian Ecosystems in the Deschutes Subbasin	NHI	Recommended Action	Agree - Fundable (higher priority) (p.96)	0	113,670	323,990
25040	Collection of baseline measurements of flow, temperature, channel morphology, riparian condition, and benthic macroinvertebrates, Trout Creek, Oregon	USGS	Recommended Action	Agree - Fundable (p.97)	0	239,000	599,000
25048	Accelerate the Application of Riparian Buffers in the Upper Deschutes Subbasin	Wy'East RC&D	Recommended Action	Agree - Fundable (p.34)	0	73,985	218,619
25075	Momitoring and Evaluation of Buck Hollow Hydrology	Wasco SWCD	Recommended Action	Agree - Fundable (higher priority) (p.98)	0	92,777	115,871
25083	Special Status Wildlife Species Surveys and Priority Habitat Assessment in the Deschutes River Subbasin	ODFW	Recommended Action	Disagree - Not Fundable (p.115)	0	100,000	320,000
<b>Subtotal 'remaining proposals'</b>					<b>0</b>	<b>760,584</b>	<b>1,897,772</b>

**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 be the basis for developing the restoration plan. Also, the tasks the ISRP noted, are vague and to be completed at some future date.

### **Initial Staff Recommendation:**

Project 199404200 - Based on the ISRP's comments and the proposed Council principles 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 in Section 4, objective 1 task a, b, c and d, at \$33,325 consistent with Issue 4. Not recommended for funding include activities in Section 5, objective 1 task a (linked to Section 4, objective 1), and objective 2 task a (non-passive), at \$35,000. 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):**

<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Decrease \$68,325	Decrease \$71,741	Decrease \$75,328

[Note: Cost based on 5 percent annual increase as determined from out-year objective based budget in proposal]

Project 199802800 - The Staff recommends not funding the completion of the watershed assessment as defined in Section 4, objective 1 task a, b, and c, at \$39,300 consistent with Principle 4.f. Staff also recommends funding project components that include only passive restoration and fish passage improvements (Section 5, objective 1 b, c, d and e at \$40,000). Task a, the largest part of this project, is the request for cost share of \$350,000 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.

**Budget effect on base program (Project 199802800):**

FY 2002	FY 2003	FY 2004
Decrease \$389,300	Decrease \$200,000	Decrease \$200,000

[Note: FY 2003 and 2004 costs taken from out-year objective based budget for Section 5, objective 1 task a]

**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.

**Initial 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:**

FY 2002	FY 2003	FY 2004
Decrease \$123,300	Decrease \$123,300	Decrease \$123,300

**Deschutes Issue 3:** Proposal 25074 (*Deschutes water exchange*) is affected by the Council's resolution of General Issues 2 and 3. Essentially, Bonneville and NMFS need to state if this new project will respond meet BiOp needs by responding to RPA action item 151. If funded, there is no effect on the base "consensus priorities" budget.

**John Day Subbasin**

John Day 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25003	Forrest Ranch Acquisition	CTWSRO	BPA Crediting? - High Priority	Agree - Fundable, High Priority (p.88)	0	169,851	472,201
25004	Acquisition of Wagner Ranch	CTWSRO	BPA Crediting? - High Priority	Agree - Fundable, High Priority (p.88)	0	108,217	176,217
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
25067	Manage Water Distribution in the John Day Basin	OWRD	High Priority	Agree - Fundable (p.60)	0	251,261	703,023
25069	John Day Salmonid Recovery Monitoring Program	CTWSRO	High Priority	Agree - Fundable if	0	164,133	280,140

<b>John Day 'consensus priority projects'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
				... (p.55)			
25073	Wheeler SWCD Riparian Buffer Planning and Implementation	Wheeler SWCD	High Priority	Agree - Fundable (p.32)	0	75,086	232,080
25080	Gilliam SWCD Riparian Buffers	Gilliam SWCD	High Priority	Agree - Fundable (p.32)	0	75,086	232,080
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
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
25102	Columbia Plateau Water Right Acquisition Program	OWT	High Priority	Agree - Fundable (p.60)	0	204,000	647,500
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
199306600	Oregon Fish Screening Project	ODFW	High Priority	Agree - Fundable (p.59)	641,621	660,870	2,042,683
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"	CTWSRO	High Priority	Agree - Fundable (p.37)	155,938	487,947	1,342,781
199703400	Monitoring Fine Sediment Grande Ronde and John Day Rivers	CRITFC	High Priority	Agree - Fundable (p.54)	39,486	63,634	200,604
199801600	Monitor Natural Escapement & Productivity of John Day Basin Spring Chinook	ODFW	High Priority	Agree - Fundable (p.59)	157,057	333,516	992,998
199801700	Eliminate Gravel Push-up Dams in Lower North Fork John Day		High Priority	Agree - Fundable (p.57)	95,100	128,000	368,000
199801800	John Day Watershed Restoration	CTWSRO	High Priority	Agree - Fundable (p.55)	432,350	566,824	1,742,026
199802200	Pine Creek Ranch	CTWSRO	High Priority	Agree - Fundable (p.56)	175,870	172,000	411,750
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
200001500	Oxbow Ranch Management and Implementation	CTWSRO	High Priority	Agree - Fundable (p.56)	1,782,546	291,898	519,998
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
200005200	Upstream migration of Pacific lampreys in the John Day River: behavior, timing, and habitat preferences	USGS/CRRL	High Priority	Agree - Fundable (p.41)	0	271,956	746,956
<b>Subtotal 'consensus priority projects'</b>					<b>4,173,974</b>	<b>10,761,814</b>	<b>20,285,736</b>

<b>John Day 'remaining proposals'</b>
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Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25028	John Day Upland Restoration	CTWSRO	Recommended Action	Agree if funded in part (p.106)	0	399,595	1,202,301
25050	Provide Incentives to convert to direct seed/no-till farming in Sherman County, Oregon	Sherman SWCD	Recommended Action	Disagree - Not Fundable (p.36)	0	164,440	481,320
25051	Columbia Plateau Natural Resources Collaborative (CPNRC)	NRCS	Recommended Action	Disagree - Not Fundable (p.116)	0	823,200	3,063,600
25061	John Day Fish Passage Barrier Inventory	OWEB	Do Not Fund	Agree - Not Fundable (p.122)	0	152,450	266,788
25084	Develop GIS Layers for Generation of Specific Natural Resource GIS Maps and Analysis	ODFW	Recommended Action	Disagree - Not Fundable (p.117)	0	111,000	271,000
25085	Eradication of brook trout from Winom Creek to enhance bull trout habitat.	USFS	High Priority	Disagree - Not Fundable (p.109)	0	50,000	150,000
25087	Desolation Creek Rehabilitation and Meadow Restoration	USFS	Do Not Fund	Agree - Not Fundable (p.123)	0	40,000	190,000
<b>Subtotal 'remaining proposals'</b>					0	1,740,685	5,625,009

**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.

**Initial staff recommendation:** Depends on Council resolution of General Issue 2 (will Council seek NMFS and Bonneville statement regarding BiOp applicability before making *any* recommendations). Depends on Council resolution of General Issue 3 (will Council accept staff proposed funding principles – if yes, and it has been demonstrated that the projects protect existing high quality/productive habitat, or connect historic habitat application of the funding principles would likely lead to support for funding). Depends on Council resolution of General Issue 5 (willingness of Council to propose funding for acquisition in light of uncertainty of regarding Bonneville’s wildlife loss crediting position). In addition, a favorable recommendation needs to address the issues raised by the ISRP (ISRP 2001-1).

**Budget effect on base program:**

FY 2002	FY 2003	FY 2004
Increase \$4,962,754	Not estimated	Not estimated

[Note: Cost based on FY 2001 High Priority/Action Plan Project Proposal, objective 1, task a]

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

**Initial staff recommendation:** The Council has previously considered and recommended each of these projects in High Priority and Action Plan solicitations. Bonneville asked that the projects be deferred to the provincial review. The staff understands that the Council stands by and reiterates its recommendation to fund these projects.

Depends on Council resolution of General Issue 2 -- proposed funding principles. If the Council adopts the principles, and it determined that the projects protect existing high quality/productive habitat, or connect historic habitat, funding continues to be warranted. The staff believes that these projects meet that standard in the proposed funding principles. NMFS has supported these projects as having BiOp action item applicability in prior reviews. Council will need to be cognizant of General Issue 5 if it recommends funding again ( be willing to propose funding for acquisition in light of uncertainty of regarding Bonneville's wildlife loss crediting position). Recall that staff recommendation on that point is to adhere to the adopted program language regarding crediting.

**Budget effect on base program:**

FY 2002	FY 2003	FY 2004
Not estimated	Not estimated	Not estimated

**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 overwinter 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.

**Initial 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:**

FY 2002	FY 2003	FY 2004
Decrease \$21,796	Decrease \$22,885	na

**John Day Issue 4:** Project 199405400 Characterize the Migratory Patterns, Structure, Abundance and Status of Bull Trout in the Plateau represents a conglomeration and partnership of two projects with the same project number, plus the bull trout component of Project 25088 (more on that later). The project includes ongoing work from a CTWSRO component for the Deschutes (see Deschutes Issue 3) and an ODFW component in the John Day. It also includes the bull trout e-map 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.

**Initial Staff Recommendation:** Funding depends on Council resolution of General Issue 7 (bull trout new work) and General Issue 2 (proposed funding criteria) for the effect on assessment work. Much of the work in the project is ongoing and would merit continued funding. The new work involving tasks added from project 25088 would appear to be assessment type of activities. The Council must make the determination if these assessment activities anticipate subbasin planning under the Council's Program.

**Budget effect on base program:**

FY 2002	FY 2003	FY 2004
Not Estimated	Not Estimated	Not Estimated

**John Day Issue 5:** Projects 25088, 199405400 and 199801600.

The project sponsor, 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, another a bull trout component, an advanced monitoring and evaluation study that formed the basis of Oregon's statewide monitoring, 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 component added into 199405400 and the monitoring and evaluation component of 25088 added to project 199801600 and expanded to include not only the John Day, but the other subbasins in the Plateau, resulting in a 628.7% increase in the project over the FY 2001 forecast. The sponsors had compartmentalized the steelhead stray study and the law enforcement project, but the process was unable to assign them project

numbers, and they 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).

Project 25088b was dropped due to lack of consensus. CBFWA supported the assignment of the tasks to 199801600 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.

It appears that the ISRP has reviewed only the monitoring and evaluation component of the original 25088 proposal. Though the panel supported that proposal, they left no indication of their intentions with the other projects.

Initial 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 individual projects into a cooperative project. 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 in the John Day to complement its Biological Opinion responsibilities.

The new work in project 199801600 would appear to be assessment type of activities. The Council must make the determination if these assessment activities anticipate subbasin planning under the Council's Program and whether these new activities help the Action Agencies address their monitoring and evaluation responsibilities under the Biological Opinion.

**Budget effect on base program (Project 25088<sup>1</sup>):**

<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Decrease \$417,971	Decrease \$307,972	Decrease \$307,972

**Budget effect on base program (Project 199801600):**

<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Increase \$868,794	Increase \$893,303	Increase \$900,311

<sup>1</sup> 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.

**John Day Issue 6: SWCD proposals**

Proposals 25073, 25080 may all be relevant to resolving the approach to implementing Biological Opinion RPA 153. If the Council adopts the funding principles in General Issue 2, *and* if NMFS and Bonneville confirm BiOp applicability as discussed in General Issue 3, it these projects *may* be fundable. NMFS commented that these projects will implement RPA 153 only through permanent or long term easements.

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

Proposals 25006, 25067, 25069 each appear to focus on new assessment or planning type activities. The funding principles proposed in General Issue 2 would likely preclude funding support absent a BiOp action item connection pressed by NMFS and Bonneville as discussed in General Issue 3. NMFS commented that the above projects correspond to 400(153), 500, and 183 respectively.

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

**Initial Staff Recommendation:** As discussed in General Issue 3, NMFS and Bonneville should state if proposal 25102, focusing on acquiring a water right acquisition program, responds to a BiOp action item (action item 151). NMFS did not address this project in there correspondence dated October 1, 2001. There would be no effect on the base budget. If the project does, and the Council supports the funding principles recommended in General Issue 2, the project would warrant funding.

**Lower Mid-Columbia Mainstem Subbasin**

Lower Mid-Columbia Mainstem 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25011	Assess Riparian Condition Through Spectrometric Imaging Of Riparian Vegetation	ODEQ	High Priority	Agree - Fundable (p.84)	0	175,000	360,000
25052	Sex Reversal in Hanford Reach Fall Chinook Salmon	CRRL	High Priority	Agree - Fundable (p.44)	0		415,359
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
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
25068	Rock Creek watershed road and riparian corridor improvement project.	YN, KC, BCC	High Priority	Agree - Fundable (p.82)	0	96,500	289,500
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

<b>Lower Mid-Columbia Mainstem 'consensus priority projects'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
25097	Salmon and Steelhead Habitat Inventory and Assessment Project (SSHIAP)	WDFW	High Priority	Agree - Fundable (p.85)	0	522,710	945,260
25101	Use of Mainstem Habitats by Juvenile Pacific Lamprey ( <i>Lampetra tridentata</i> )	PNNL	High Priority	Agree - Fundable (p.41)	0	89,238	89,238
199009200	Protect and Enhance the Wanaket Wildlife Mitigation Area.	CTUIR	High Priority	Agree - Fundable (p.84)	204,438	223,465	679,824
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
199701400	Evaluation of Juvenile Fall Chinook Stranding on the Hanford Reach	WDFW	High Priority	Agree - Fundable (p.43)	341,784	342,000	769,000
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
<b>Subtotal 'consensus priority projects'</b>					<b>1,471,222</b>	<b>3,574,330</b>	<b>7,773,639</b>

<b>Lower Mid-Columbia Mainstem 'remaining proposals'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
25035	Evaluate adult fall chinook salmon fallback at Priest Rapids Dam, Columbia River	PNNL and WDFW	Recommended Action	Agree if funded in part (p.47)	0	603,065	1,344,108
25037	Evaluation of the effects of American shad on upstream migration of anadromous fishes at Priest Rapids Dam	PNNL	Do Not Fund	Agree - Do Not Fund (p.48)	0	43,464	297,910
25038	Effects of Hydropower Operations on Fall Chinook Spawning Activity	PNNL	Recommended Action	Agree - Fundable (p.47)	0	139,338	516,430
25045	Determine effects of water level-induced changes in rearing habitat on the survival of juvenile fall chinook salmon.	USGS	Recommended Action	Agree - Fundable (p.46)	0	192,977	548,931
25063	Subbasin Planning Coordinator for Oregon	OWEB	Recommended Action	Disagree - Not Fundable (p.120)	0	100,225	300,675
25070	The Application of Geophysics to Better Define Fall Chinook Salmon Spawning Habitat Use in the Hanford Reach, Columbia River	GAI, PNNL	Recommended Action	Agree - Fundable (p.46)	0	113,532	240,572
25091	Mainstem habitats and aquatic communities: assessment and management options	USGS	Recommended Action	Disagree - Not Fundable (p.121)	0	394,200	1,164,200
25098	Characterize and Assess Wildlife-Habitat Types and Structural Conditions for Subbasins within the Columbia Plateau Ecoregion	NHI	Do Not Fund	NA - Policy Decision (p.103)	0	330,825	848,695
25099	Oregon CREP Improvement Project	OWEB	Do Not Fund	Agree - Do Not Fund (p.37)	0	433,725	1,153,725
<b>Subtotal 'remaining proposals'</b>					<b>0</b>	<b>2,351,351</b>	<b>6,415,246</b>

**Lower Mid-Columbia Mainstem Issue 1: Proposed new assessment work and research**

Proposals 25011, 25052, 25056, 25079, 25097, and 25101 all appear to focus on new assessment or research related activities. If the Council adopts the funding principles proposed by the staff in General Issue 2, it appears that most of these projects would not warrant funding support at this time – they would be part of or follow subbasin planning. If NMFS and Bonneville stated a BiOp action item relevance as discussed in General Issue 3, for some or all of the projects, the proposed funding principles may support funding.

**Initial staff recommendation:** Depends on Council resolution on the proposed funding principles in General Issue 2, and BiOp applicability as stated in General Issue 3.

**Budget effect on base program:**

FY 2002	FY 2003	FY 2004
Not estimated	Not estimated	Not estimated

**Lower Mid-Columbia Mainstem Issue 2: “Restoration” proposals**

Proposals 25060 and 25068 appear to be habitat “restoration” proposals, as opposed to proposals to protect existing high-quality habit that is currently productive or a connection to historic habitat. If this is correct, the proposed funding principles would not support funding at this time, deferring them to implementation after a subbasin plan identifies the need and priority of the proposed work. Staff needs to further investigate if this is the case or not. It is possible that one or both of these proposals may seek to connect to historic habitat, in which case the funding principles may warrant funding at this time.

If proposal 25060 (Burbank Sloughs) is ultimately funded, there is a budget adjustment to make. The project intends to remove berms, reconnect side channels & wetlands to river & establish flow, & enhance shallow-water areas to provide rearing, resting & predator avoidance habitat adjacent to the main channel Columbia River in the Burbank Sloughs Area, Pasco, Washington. This new project did not include the deletion of the out year budgets for Fiscal Year 2003 and 2004 due to confusion regarding the alignment of the pre-implementation of a feasibility study to funding of the implementation tasks identified in the project proposal. On September 7, 2001 Council received a request from CBFWA to correct this error. This correction will ensure that sufficient funds are available to implement the project following completion of the feasibility study. Council staff recommends that this correction be made conditioned that Fiscal Year 2003 and 2004 budgets are conditioned on the completion and favorable outcome of the feasibility study as determined by Bonneville.

**Budget effect on base program:**

FY 2002	FY 2003	FY 2004
No Change	Decrease of \$488,000	Decrease of \$125,000

**Lower Mid-Columbia Mainstem Issue 3: 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.

**Initial 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:**

<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Decrease \$342,000	Decrease \$297,000	Decrease \$130,000

**Other Staff Notes:**

Staff needs to further investigate if proposal 25011 should receive funding from Environmental Protection Agency sources.

If funding for proposal 25068 is determined to warrant funding under the proposed principles in General Issue 2, staff needs to investigate further the propriety of initiating its proposed restoration actions in the Rock creek subbasin before the previously funded watershed assessment project is completed and delivered.

**Lower Snake Mainstem Subbasin**

Lower Snake Mainstem 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
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
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
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
199102900	Understanding the effects of summer flow augmentation on the migratory behavior and survival of fall chinook salmon migrating through L. Granite Res.	USFWS; USGS	High Priority	Agree - Fundable (p.72)	699,000	630,375	1,851,125
<b>Subtotal 'consensus priority projects'</b>					699,000	1,095,361	3,265,215

Lower Snake Mainstem 'remaining proposals'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25033	Evaluate Restoration Potential of Mainstem Habitat for Anadromous Salmonids in the Columbia and Snake Rivers	PNNL	Recommended Action	Agree - fundable (p.100)	0	314,392	1,120,402
199401807	Garfield County Sediment Reduction and Riparian Improvement Program	PCD	High Priority	Disagree - Not Fundable (p.35)	123,700	187,000	617,500
<b>Subtotal 'remaining proposals'</b>					123,700	501,392	1,737,902

**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.

**Initial 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:**

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

[Note: Out year budgets were adjusted for Section 5 (objective 1, task a) based on out year objective-based budget in the project proposal]

**Lower Snake Mainstem Issue 2:** New assessment and research oriented proposals.

Proposals 25049, 25053 and 25064 each appear to be focused on new assessment or research related activities. As such, if the funding principles presented in General Issue 2 are accepted, they are unlikely to warrant funding. The exceptions may be if one or more of the projects is determined by NMFS and Bonneville to have applicability to a BiOp action item as discussed in General Issue 3. NMFS commented that project 25049 could implement RPA 141 and 143 and project 25064 could implement RPA 190. Project 25053 corresponds to no RPA action item.

**Budget effect on base program:**

FY 2002	FY 2003	FY 2004
Not estimated	Not estimated	Not estimated

**Palouse Subbasin**

Palouse 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
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
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
<b>Subtotal 'consensus priority projects'</b>					0	646,870	1,603,352

Palouse 'remaining proposals'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
None							

**Palouse issue 1:** Bonneville funding for resident fish surveys and watershed restoration in Palouse and Crab Creek subbasins; Proposals 25008 and 25092.

The staff questions the rationale for Bonneville funding for these resident fish initiative as mitigation for federal hydrosystem impacts. Further, the proposed funding principles would not support these proposals at this time – such work would be part of, or follow, subbasin planning.

**Initial staff recommendation:** If the Council adopts the funding principles presented in General Issue 2, do not fund these proposals at this time.

**Budget effect on base program:**

FY 2002	FY 2003	FY 2004
Not estimated	Not estimated	Not estimated

**Tucannon Subbasin**

Tucannon 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
200001900	Tucannon River Spring Chinook Captive Broodstock Program	WDFW	High Priority	Agree - Fundable (p.73)	98,420	94,509	342,009
<b>Subtotal 'consensus priority projects'</b>					98,420	94,509	342,009

Tucannon 'remaining proposals'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25019	Tucannon River Roads, Cut and Fill Slope Restoration	Umatilla NF	Recommended Action	Disagree - Not Fundable (p.118)	0	19,500	52,500
25072	Restore Tucannon River Riparian Habitat: Wooten Wildlife Area	WDFW	High Priority (removal of site) Recommended Action (construction of new site)	Disagree - Not Fundable (p.114)	0	135,400	852,600
199401806	Implement Tucannon River Model Watershed Plan to Restore Salmonid Habitat	CCD	High Priority	Disagree - Not Fundable (p.112)	257,375	352,625	1,152,038
<b>Subtotal 'remaining proposals'</b>					257,375	507,525	2,057,138

**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.

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.

**Initial 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:**

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 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25029	Westland-Ramos Fish Passage and Habitat Restoration Pilot Project	WID	High Priority	Agree - Fundable (p.65)	0	203,020	1,287,100
25047	Morrow County Buffer Initiative	Morrow SWCD	High Priority	Agree - Fundable (p.34)	0	75,086	232,080
25055	Echo Meadows Artificial Recharge Extended Groundwater and Surface Water Modeling	PNNL	High Priority (pollutant work) Recommended Action	Agree - Fundable (p.64)	0	390,283	780,566

<b>Umatilla 'consensus priority projects'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
			(modeling effort)				
25059	Develop Progeny Marker for Salmonids to Evaluate Supplementation	CTUIR	High Priority	Agree - Fundable (p.61)	0	149,665	500,477
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
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
195505500	Umatilla Tribal Fish & Wildlife Enforcement	CTUIR	High Priority	Agree - Fundable (p.61)	0	163,369	514,956
198343500	Operate and Maintain Umatilla Hatchery Satellite Facilities	CTUIR	High Priority	Agree - Fundable (p.25)	920,977	956,849	3,948,549
198343600	Umatilla Basin Fish Facilities Operation and Maintenance	WID	High Priority	Agree - Fundable (p.31)	445,411	498,512	1,571,587
198802200	Umatilla River Fish Passage Operations	CTUIR	High Priority	Agree - Fundable (p.25)	327,600	343,979	1,084,394
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
198902700	Power Repay Umatilla Basin Project	BPA	High Priority	Agree - Fundable (p.30)	800,000	1,750,000	5,250,000
198903500	Umatilla Hatchery Operation and Maintenance	ODFW	High Priority	Agree - Fundable (p.26)	860,000	917,559	2,833,809
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
199402600	Pacific Lamprey Research and Restoration	CTUIR	High Priority	Agree - Fundable (p.40)	453,267	520,464	1,530,464
199506001	Protect and Enhance Wildlife Habitat in Squaw Creek Watershed	CTUIR	High Priority	Agree - Fundable (p.62)	205,188	222,268	690,674
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
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
<b>Subtotal 'consensus priority projects'</b>					<b>4,720,567</b>	<b>11,127,014</b>	<b>29,202,192</b>

<b>Umatilla 'remaining proposals'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
25016	Assessment of habitat improvement actions on water temperature, streamflow, physical habitat, & aquatic community health in the Birch Creek Watershed	USGS	Recommended Action	Disagree - Not Fundable (p.118)	0	403,000	1,243,000
25077	Umatilla County Conservation	Umatilla	Recommended	Agree -	0	152,368	470,954

Umatilla 'remaining proposals'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
	Buffer Project	SWCD	ded Action	Fundable (p.35)			
198710001	Enhance Umatilla River Basin Anadromous Fish Habitat	CTUIR	High Priority	Disagree - Not Fundable (p.110)	270,987	506,403	1,596,437
198710002	Umatilla Subbasin Fish Habitat Improvement	ODFW	High Priority	Disagree - Not Fundable (p.111)	425,263	759,300	2,392,594
198805302	Design and Construct Umatilla Hatchery Supplement	CTUIR	High Priority	Disagree - Not Fundable (p.28)	35,000	5,352,043	5,352,043
199000500	Umatilla Fish Hatchery Monitoring and Evaluation	ODFW	High Priority	Disagree - Not Fundable (p.27)	693,311	626,178	1,830,407
<b>Subtotal 'remaining proposals'</b>					<b>1,424,561</b>	<b>7,799,292</b>	<b>12,885,435</b>

**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

**Initial 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:**

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 \$74,914<sup>2</sup>, 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:**

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.

**Initial 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 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:**

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

<sup>2</sup> 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.

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.

**Initial 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.

**Budget effect on base program<sup>3</sup>:**

FY 2002	FY 2003	FY 2004
No change	No change	No change

**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

**Initial 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:**

FY 2002	FY 2003	FY 2004
No change	No change	No change

**Umatilla Issue 5:** Including LP ranch land acquisition proposal from the "Action Plan" list into the Columbia Plateau decision (Action Plan proposal 26025)

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<sup>3</sup> This is a 'remaining proposals' and received a do not fund from the ISRP review, therefore no change to the base budget

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 found the project to be fundable in the Columbia Plateau. 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.

**Initial staff recommendation:** Include the proposal for consideration in the Columbia Plateau review. Council funding will depend on its decision on the proposed funding principles in General Issue 3. To warrant funding, the proposal would need to demonstrate that it protects existing high-quality habitat, or connects to historic quality habitat. The Council would also have to be willing to recommend the proposal in light of uncertainty regarding Bonneville's crediting response as discussed in General Issue 5.

**Budget effect on base program:**

FY 2002	FY 2003	FY 2004
Not estimated	Not estimated	Not estimated

**Umatilla Issue 6:** All new proposals appear related to new assessment and planning, research, or habitat "restoration" as opposed to "protection."

The proposals newly offered for Fiscal Year 2002 seem to all be focused on activities that the proposed funding principles in General Issue 2 would generally defer to or after subbasin planning (or the development of a research plan in the case of the research proposals). If the proposed principles are adopted, the habitat proposals would need to demonstrate that they are actually focused on protecting existing high-quality habitat or connecting historic quality habitat or represent lost opportunities to receive funding consideration. The assessment and research proposals would need to demonstrate a BiOp action item linkage (declared by NMFS and Bonneville as discussed in General Issue 3) or that they represent lost opportunity in order to warrant funding consideration under the principles.

**Initial Staff Recommendation:** Depends on Council decision on proposed funding principles, and projects' relationship to them if adopted. If favorable recommendations are received budget effects will be determined.

**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.

**Initial 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:**

FY 2002	FY 2003	FY 2004
Decrease \$750,000	Decrease \$750,000	Decrease \$750,000

**Other staff notes:**

Staff needs to work with the sponsor and Bonneville to define the “reporting and monitoring requirements” for project 195505500 (*Umatilla law enforcement*) referenced in CBFWA’s recommendations.

Staff suggests that the Council consider requesting review of Bonneville’s repayment terms for Umatilla Basin Project pump exchange (Project 1989-027-00).

Resolve initial budget for proposal 25093 (*Characterize genetic differences and distribution of freshwater mussels*) to limit work to distribution work only, as recommended by ISRP if funded (p. 105)

Resolve budget to reflect “fund in part” recommendation of the ISRP (p. 26) for Project 1990-005-01; (*Umatilla basin natural production monitoring and evaluation project*).

**Walla Walla Subbasin**

Walla Walla 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25017	Fabricate and install new Huntsville Mill fish screen	WDFW, YSS	High Priority	Agree - Fundable (p.51)	0	102,217	232,717
25066	Manage Water Distribution in the Walla Walla River Basin	OWRD	High Priority	Agree - Fundable (p.68)	0	552,525	1,397,300
25082	Walla Walla River Flow Restoration	WWBWC	High Priority	Agree - Fundable (p.69)	0	478,000	478,000
199601100	Walla Walla River Juvenile and Adult Passage Improvements	CTUIR	High Priority	Agree - Fundable (p.66)	450,000	2,856,000	6,356,000
199604601	Walla Walla Basin Fish Habitat Enhancement	CTUIR	High Priority	Agree if funded in part (p.105)	251,122	287,407	287,407
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
200002600	Rainwater Wildlife Area	CTUIR	High Priority	Agree - Fundable (p.66)	279,744	303,546	908,038

Walla Walla 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
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
200020139	Walla Walla River Fish Passage Operations	CTUIR	High Priority	Agree - Fundable (p.67)	0	109,551	418,880
<b>Subtotal 'consensus priority projects'</b>					1,470,236	5,524,142	12,402,238

Walla Walla 'remaining proposals'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
25065	Forward Looking Infrared Radiometry (FLIR) Thermal Imagery and Analysis of Tucannon River, Touchet River, and Mill Creek(FY2002)with follow -on 2003-04	WA Ecology, WQP	Recommended Action	Agree - Fundable (p.98)	0	231,000	634,000
25076	Enhancing Riparian Corridors Sustainably With Integrated Agroforestry	IWF	Do Not Fund	Disagree - Fundable (p.102)	0	1,270,000	1,270,000
25094	Restore Touchet River Watershed Habitat to Support ESA listed Stocks	CCD	High Priority (passive restoration measures only)	Disagree - Not Fundable (p.113)	0	343,912	1,124,676
200003800	Design and Construct NEOH Walla Walla Hatchery	CTUIR	High Priority (Three Step Process)	Disagree - Not Fundable (p.29)	0	150,000	5,550,000
<b>Subtotal 'remaining proposals'</b>					0	1,994,912	8,578,676

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

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.

**Initial 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.

**Budget effect on base program<sup>4</sup>:**

FY 2002	FY 2003	FY 2004
No change	No change	No change

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

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.

**Initial 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:**

FY 2002	FY 2003	FY 2004
No change	No change	No change

**Walla Walla Issue 3:** Determine if Bonneville funding for proposal 25066 is appropriate.

This proposal is to provide resources to the Oregon Department of Water Resources to ensure that water acquired for instream flow enhancement is restored to streams.

**Initial Staff Recommendation:** The proposal would not appear to warrant funding under the proposed funding principles, absent a BiOp action item connection. NMFS has commented that this project corresponds to RPA 500.

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<sup>4</sup> This is a ‘remaining proposals’ and received a do not fund from the ISRP review, therefore no change to the base budget.

**Walla Walla Issue 4:** Hunt's Mill screen proposal (25017)

The proposal is to fund fabrication and installation of a screen facility in the Touchet River basin. Absent a BiOp action item connection, the proposal does not appear to fall within any of the proposed funding principles. It is unclear that failure to fund would represent a lost opportunity that the proposed principles would support funding.

**Initial Staff Recommendation:** Depends on Council resolution on fish funding principles.

**Walla Walla Issue 5:** 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.

**Initial Staff Recommendation:** It is unclear if this new work would be supportable under the proposed funding principles without state BiOp action item connection. Such a connection may exist to RPA action item 151, but NMFS and Bonneville may need to speak to that as discussed in General Issue 3. The project may represent an opportunity lost if deferred to after subbasin planning, which the proposed principles may support funding. NMFS has commented that this project could correspond only to RPA 500.

**Other staff notes:**

Staff needs to investigate schedule and terms for cost sharing on Walla Walla tributary screening program (Project 1996-011-00).

Staff proposes to resolve budget issues for projects 1996-046-01 (p. 105) and 2000-039-00 (p. 2000-039-00) to reflect ISRP's "fund in part" recommendation.

**Yakima Subbasin**

Yakima 'consensus priority projects'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
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
25012	Assessment of bull trout populations in the Yakima River watershed.	WDFW	High Priority	Agree - Fundable (p.39)	0	243,947	558,947
25013	Restore Riparian Corridor at Tapteal Bend, Lower Yakima River		High Priority	Agree - Fundable (p.78)	0	160,500	177,000
25020	Acquire Rattlesnake Slope	RMEF	BPA	Agree -	0	3,542,500	3,542,500

<b>Yakima 'consensus priority projects'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
	Addition		Crediting? - High Priority	Fundable, High Priority (p.92)			
25021	Implement Actions to Reduce Water Temperatures in the Teanaway Basin	WA Ecology	High Priority	Agree - Fundable (p.81)	0	172,950	301,275
25022	YKFP Big Creek Passage & Screening	WDFW	High Priority	Agree - Fundable (p.23)	0	175,280	205,280
25023	Yakima-Klickitat Fisheries Project - Manastash Creek Fish Passage and Screening	YKFP - WDFW	High Priority	Agree - Fundable (p.24)	0		1,055,473
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
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
25026	Yakima Tributary Access and Habitat Program (YTAHP)	KCWP	High Priority (Objective 2 only)	Agree - Fundable (p.74)	0	17,500	17,500
25031	Naches River Water Treatment Plant Intake Screening Project.	COY	High Priority	Agree - Fundable (p.50)	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
25036	The Impact of Flow Regulation on Riparian Cottonwood Ecosystems the Yakima River Basin	BQI	High Priority	Agree - Fundable (p.77)	0	225,495	430,066
25054	Increase Naches River In-stream Flows By Purchasing Wapatox Hydroelectric Project	YN	High Priority	Agree - Fundable (p.49)	0	0	0
25062	Growth Rate Modulation in Spring Chinook Salmon Supplementation	NMFS	High Priority	Agree - Fundable (p.79)	0	345,088	345,088
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
198506200	Passage Improvement Evaluation	PNNL	High Priority	Agree - Fundable (p.77)	100,000	113,587	347,059
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
198812025	Yakima/Klickitat Fisheries Project (YKFP) Management	YN	High Priority	Agree - Fundable (p.21)	800,000	1,262,548	5,295,760
199105700	Fabricate and install Yakima Basin Phase II fish screens	WDFW, YSS	High Priority	Agree - Fundable (p.75)	71,875	159,889	179,889
199107500	Yakima Phase II Screens - Construction*	USBR	High Priority	Agree - Fundable (p.76)	1,000,000	600,000	1,200,000
199200900	Operate and Maintain Yakima Basin Phase II Fish Screens	WDFW, YSS	High Priority	Agree - Fundable (p.75)	135,000	148,557	467,505
199206200	Yakama Nation -	YN	BPA	Agree -	1,370,000	1,750,000	5,250,000

<b>Yakima 'consensus priority projects'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
	Riparian/Wetlands Restoration		Crediting? - High Priority	Fundable, High Priority (p.92)			
199405900	Yakima Basin Environmental Education	USBR	High Priority	Agree - Fundable (p.80)	127,500	130,000	397,000
199503300	O&M Of Yakima Phase II Fish Facilities	USBR	High Priority	Agree - Fundable (p.75)	100,000	110,293	350,293
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
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
199603501	Satus Watershed Restoration Project	YN	High Priority	Agree - Fundable (p.80)	160,000	352,966	1,111,691
199701325	Yakima/Klickitat Fisheries Project Operations and Maintenance	YN	High Priority	Agree - Fundable (p.19)	2,350,000	2,549,774	8,567,865
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
199705300	Toppenish-Simcoe Instream Flow Restoration and Assessment	YN	High Priority	Agree - Fundable (p.81)	237,503	281,830	711,830
199803300	Restore Upper Toppenish Watershed	YN	High Priority	Agree - Fundable (p.79)	190,000	268,517	846,617
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
199901300	Ahtanum Creek Watershed Assessment	YN	High Priority	Agree - Fundable (p.80)	200,192	235,093	765,093
<b>Subtotal 'consensus priority projects'</b>					<b>12,875,349</b>	<b>27,464,667</b>	<b>74,622,948</b>

<b>Yakima 'remaining proposals'</b>							
<b>Project ID</b>	<b>Title</b>	<b>Sponsor</b>	<b>CBFWA</b>	<b>ISRP</b>	<b>FY 2001 Authorized</b>	<b>FY 2002 Request</b>	<b>FY 02-04 Request</b>
25034	Develop a Nutrient/Food-Web Management Tool for Watershed-River Systems	PNNL	Recommended Action	Disagree - Not Fundable (p.119)	0	376,382	544,041
25044	Application of Biological Assessment Protocol to Evaluate Passage of Juvenile Salmonids Through Culverts in the Yakima Basin	PNNL	Do Not Fund	Agree - Not Fundable (p.122)	0	95,553	306,823
25058	Fish Passage Inventory and Corrective Actions on WDFW Lands in The Yakima Subbasin	WDFW	Recommended Action	Agree if funded in part (p.107)	0	205,300	565,900
25095	Pesticides and the environmental health of salmonids in the Yakima subbasin.	NMFS/NWF SC	Recommended Action	Agree if funded in part (p.107)	0	257,800	825,800
25096	Determine Quantitative Values	WDFW	Recommended	Disagree -	0	235,000	235,000

Yakima 'remaining proposals'							
Project ID	Title	Sponsor	CBFWA	ISRP	FY 2001 Authorized	FY 2002 Request	FY 02-04 Request
	for the Perpetual Timber Rights on the WDFW Oak Creek and Wenas Wildlife Areas.		ded Action	Not Fundable (p.120)			
25100	Protect Normative Structure and Function of Critical Aquatic and Terrestrial Habitat	COY	Do Not Fund	Disagree - Fundable in Part; Agree with CBFWA comments. (p.108)	0	2,499,000	10,079,000
<b>Subtotal 'remaining proposals'</b>					0	3,669,035	12,556,564

**Yakima issue 1:** 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.

**Initial staff recommendation:** 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.

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 (Section 7, objective 1, task c, d (1 and 2), e, f, j, l, m, n, p, s, and w at \$1,489,028; objective 2, task b at \$53,543; objective 3, task b at \$31,800)<sup>5</sup>. In addition, objectives and tasks not commented on (Section 4, Objective 1 task a (1 and 2) at \$432,790; Section 7, objective 1 task r, u x, and y at \$109,084) are fully supported.

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 (Section 7, objective 3, task a at \$200,000; objective 4, task a (1 and 2), b, c, d, e, and f at \$837,310. 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 (Section 7, objective 1, task b, g (1 and 2), h (1 and 2), and q (1 and 2) at \$667,693). 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:**

<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Decrease \$62,084	Decrease \$62,084	Decrease \$62,084

<sup>5</sup> Budget overlaps need to be rectified between this project and #199701325 (YKFP Operation and Maintenance) for the Prosser activities, coho acclimation ponds and operations (ISRP 2001-8).

[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 2:** 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.

**Initial 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:**

<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Decrease of \$1,595,000	Decrease of \$883,000	Decrease of \$1,258,000

**Yakima issue 3:** WDFW fish passage structure inventory and corrective actions (proposal 25058).

Proposal 25058 inventories fish passage structures and intake screens, identifies required corrective actions, and completes corrective actions where high priority passage problems exist on WDFW lands. This new proposal includes significant assessment work and implementation planning.

ISRP and CBFWA each questioned the propriety of the corrective action elements without further information. ISRP noted that the costs seemed “inordinately high” for the proposal.

**Initial Staff Recommendation:** Funding would depend upon the Council resolution of the funding principles discussed in General Issue 2. It appears to staff that if the Council adopts the funding principles, it is unlikely that the proposal would warrant funding consideration without a BiOp action item connection. Such a BiOp connection would need to be verified by NMFS and Bonneville as discussed in General Issue 3.

**Budget effect on base program:**

<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Not estimated	Not estimated	Not estimated

**Yakima issue 4:** Habitat acquisition proposals.

Proposals 25002, 25020, 25024, 25025, 25032, and 25078 all are habitat acquisition related proposals. If the Council adopts the funding principles presented in General Issue 2, the proposals would need to demonstrate that they will protect existing high-quality habitat, or that they connect to quality historic habitat in order to warrant funding.

Additionally, if the Council were to find that the funding principles support one or more of these projects, the Council would have to be willing to recommend funding in light of the uncertainty on Bonneville's willingness to follow the program's wildlife crediting provisions (discussed in General Issue 5).

In the case of proposal 25032 (Wenas Wildlife Area Inholdings), if ultimately funded, it should be noted that the ISRP gave a “fund in part” recommendation, supporting only the initial protection objectives.

**Yakima Issue 5:** New proposal 25100 -- CBFWA and ISRP disagree on priority.

This proposal would acquire lands for protection of aquatic/terrestrial habitat; improvements of water quality; reconnection of the flood plain; restoration/protection of the riparian habitat and natural hydrologic regime. CBFWA rated it as do not fund, citing lack of coordination with the efforts of fish and wildlife managers in the subbasin. The ISRP would support initial assessment and planning phases of the project, with future implementation funding contingent on assessment findings and better coordination with other subbasin efforts.

**Initial Staff Recommendation:** Even though the ISRP disagreed in part with the CBFWA priority, the elements that it supported funding for appear to be new assessment and planning type activities. As such, if the Council adopts the funding principles discussed in General Issue 2, without a BiOp action item connection verified by NMFS and Bonneville, the proposal would not likely warrant funding. The assessment and planning actions would be part of or follow subbasin planning.

**Yakima Issue 6:** Proposal 25026 (Yakima tributary access and habitat program)

This proposal purports to develop a strategic plan to implement fish enhancements (fish passage, screens and riparian habitat) on Yakima tributaries based on a prioritized schedule in coordination with local, state, tribal and federal interests, then implement the plan in following years. Both anadromous and resident fish will benefit. ISRP and CBFWA both laud the broad-based coordination of the proposal. The ISRP and CBFWA both believe the project seems costly. CBFWA and ISRP appear to agree that only Objective 2, development of the strategic plan should be funded at this time.

**Initial Staff Recommendation:** The objective that ISRP and CBFWA support appears to be planning. If the Council adopts the funding principles in General Issue 2, it is unlikely that this project would warrant funding unless: (1) NMFS and Bonneville indicate applicability to a BiOp action item (as described in General Issue 3), or (2) the exception for deferring this project to subbasin planning would lose the coordination and/or cost-sharing opportunity that the proposal presents. In addition, this project was recommended by Council as part of the Action Plan solicitation (project 26005) and well require out-year funding.

**Yakima Issue 7:** Proposals that appear to focus on habitat “restoration” as opposed to “protection”

Proposals 25013, 25021, 25022, 25023, are habitat proposals that may focus on restoring degraded habitat as opposed to protecting currently existing high-quality productive habitat. If this is the case, the funding principles offered by the staff in General Issue 2 might preclude funding. However the latter two proposal appear to provide “connections” by opening access to existing quality habitat not currently accessible. If this were the case, the funding principles would support funding the projects. In the case of all three proposals, if NMFS and Bonneville declared a BiOp action item relevance, the funding principles would support funding.

**Initial Staff Recommendation:** Funding for all projects depends on Council decision on the proposed funding principles. If the principles are adopted, each proposal should be considered to see if they “connect” currently unavailable habitat.

**Yakima Issue 8:** Assessment and research related proposals

Proposals 25012, 25036 and 25062 appear to be related to new assessment type activities (25012 - bull trout assessment) or new research type activities. If the funding principles proposed in General Issue 2 are adopted, it is unlikely that funding for these projects would be warranted.

**Initial Staff Recommendation:** Depends on Council resolution of General Issue 2 on funding principles.

**Other staff notes:**

Consideration of funding approval for Action Plan proposal 26011 (*Simcoe instream flow restoration*) with schedule of work for Project 1997-053-00 (*Toppenish-Simcoe instream flow restoration and assessment*).