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## MEMORANDUM

**TO:** Council Members

**FROM:** Mark Fritsch, project implementation manager

**SUBJECT:** Conceptual design for the next project review process

At the July Council meeting, staff reviewed an outline of a conceptual design for the next project review process. Based on the input received, the Council staff has altered the approach and provided additional detail to the developing process. The Council staff will present and review this approach, and the timeline associated with this process, at the August Council meeting. The purpose of the presentation is to continue the necessary feedback and guidance from the Council members as this process continues to be developed.

### SIGNIFICANCE:

The Council staff is developing an approach for the next project review process that would build upon reviews of key aspects of the Fish and Wildlife Program, such as monitoring and evaluation, data management, project operation and maintenance, but also recognize the investments that the Council has made in the region over the past 26 years. This proposed approach will include many of the attributes of past reviews, such as ISRP review, site visits, local input, and public review, and will also allow the Council to address concerns regarding the projects that were tagged with the "interim funding" conditions in the FY 2007 - 2009 recommendations.

In addition, any project review process will need to fit with other processes the Council will be addressing in the near future (i.e., the program amendment process, a possible long-term settlement agreement between BPA and some tribes, and the new Biological Opinion).

## **BACKGROUND:**

At the July Council meeting, staff presented a proposed concept for the next project review process. Based on the comments received from the Council members, staff formulated the following outline:

### I. General Points

- Every project in the program will be reviewed - “no project is exempt from a review.”
- Reviews/recommendations are multi-year, probably three years again for some projects.
- Timeframes, expectations and definitions associated with this review need to be clearly articulated to the region.
- Target date for next recommendations would be mid-2009 (May 2009), to be ahead of the start of Fiscal Year 2010 in October 2009.
- On-the-ground (OTG) projects need to be reviewed and implemented in the early part of this process.
- Some of the long-term and core-type projects may need more time for a review and be implemented over longer time periods than three year cycles. These projects will be driven by performance measures and reporting standards, that are likely to be developed concurrently with program amendments and the new BiOp.
- The nature of the reviews will be different based on different characteristics of types or categories of projects - that is, by separating projects into two large groupings (?).

### II. Project Groupings

- A. Projects that represent past (and can be reasonably described as ‘on-going’) program investments or ongoing program support (e.g., long-term and core-type projects).

The project types making up this grouping include operation and maintenance (O&M), and monitoring and evaluation (M&E) for hatcheries, acquired lands O&M, habitat related projects, such as passage project O&M, and on going predator control projects. Also included in this group are projects supporting regional M&E and data management, as well as program coordination and support.

Review principles associated with this group would include the following:

- Projects of similar type will be reviewed together (e.g., hatchery O&M, or lands O&M, or regional M&E projects) to discover if efficiencies might be gained in terms of the review or in terms of standardizing some of the activities.
- Reviews will be performance based, that is, largely based on review of results from past performance and on how well the proposed scope of work for the next set of years is justified based on results (justified in technical/scientific terms and in cost terms).

- No new project proposal. Review would be based on an updated proposal to highlight the results of past performance and the work expected in the next set of years.
- Review for consistency with the regional monitoring and evaluation component of the amended program.
- Not prioritized against new work, and the project review process will generally not be the place for a decision to end the program's association with these activities for all time (a program amendment process is more likely the place for that kind of decision). Nevertheless, the project is *not* guaranteed to receive funds in the next few years without justification on its own merits. In addition the projects needs to survive technical review, including modifications required by the project review and if past results do not appear to justify continuing, defer funding and initiate a programmatic review.
- Performance review of the project means it and its results will be reviewed against the performance objectives in the project's own past proposals; against whatever is in the program that provides programmatic broader guidance (in the subbasin plan or in basinwide provisions); against relevant portions of the other regional plans, such as the BiOp or the Hatchery Scientific Review Group (HSRG) review or a regional M&E or data management framework that is not yet in the program; and against technical criteria in Section 4(h)(10)(D). This includes developing reporting standards addressing the performance objectives defined through the funding period.

#### B. Projects that Represent New Program Investments

The project types making up this grouping include discrete habitat projects in the tributary, estuary, and mainstem reaches, new capital and expense investments in habitat improvements, such as passage, artificial production, and land acquisitions. In addition, new research and innovative projects would be addressed as part of this grouping.

Review principles associated with this group would include the following.

- Based on new project proposals, with time-specific deliverables and objectives.
- Review within a province/subbasin context or aggregation as a rolling review since this grouping is small enough do all at once.
- Review for consistency with the regional monitoring and evaluation component of the amended program.
- Allocations need to be defined that would be based on the existing funding levels and at this point in time may need to be prioritized for flexibility that includes an additional tier of projects so as to match what the actual allocation may be at the time of the next review (Fiscal Year 2010).
- Receives the familiar ISRP review of new projects; also review for consistency with subbasin plans and other applicable parts of the program as well as with other key regional plans (such as the BiOp or research plan if not in the program, etc.).

- While the review would largely be focused on the technical sufficiency of the new proposed activities, many of these are embedded in larger, on going programs (e.g., the new John Day habitat work that is the next step in the on going John Day habitat improvements), so the proposal will also be reviewed in light of the results of past performance and broader program context.
- Even if these are new project proposals, the actions represented may carry a Bonneville commitment (from the PA/BiOp, from settlement agreements, or as embedded in the program). This may mean the underlying activity is not subject to prioritization (it will already carry a priority), but the proposal still needs technical review and might fail technical review and not receive a funding recommendation unless improved. This may also mean the use of targeted solicitations more than open solicitations.
- Projects that are within the Step review process will largely be reviewed within that process.

### III. Timing Considerations

#### Alternative 1 -- Two groups, short timeframe, less informed

Complete the entire review of the program by the start of Fiscal Year 2010 providing Council recommendations to Bonneville by May 2009. To accomplish this, utilizing the groupings described above, we would need to initiate one group in 2007-08 and the other group in 2008-09. This would only allow approximately one year per group. Council members expressed an interest in getting to the on-the-ground type projects first, but using this timeframe, it probably makes more sense to do most of the projects representing past program investments or on going program support first (i.e., especially the O&M for hatcheries and lands, and hatchery M&E). In addition, there is uncertainty as to what else (e.g., data management) will be ready by then, as there is a need to work out the PA/BiOp and regional M&E work first before launching into new investments (i.e., the other group). The biggest drawback to doing everything by mid-2009 is that the process will have to start everything, and finish most, before finishing the program amendment process. This is a concern to the Council staff, as both processes will take a lot of resources and because it is in the program amendments in which the Council hopes to provide significant guidance for the future.

#### Alternative 2 -- Two groups, longer timeframe, more informed

If the Council decides to let the program amendment process near completion before engaging in the next project review process, we will be able to do one grouping of projects before the beginning of Fiscal Year 2010, but not all of it. We would have to decide which projects to bridge over. Council staff suggests that the Council target late in Fiscal Year 2008 to initiate the first review of projects that represent new program investments with a May 2009 decision date. It is hoped by that time the amendment process will be defined and that the other process have made significant progress (e.g., data management and regional M&E). In addition, the ramifications of the PA/BiOp will be known. Guidance from these other processes will also greatly enhance the direction that the review of projects representing past program investments or on going program

support will be undergoing and provide for a more efficient and timely review targeted for a Council decision by May 2010.