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Jim Kempton  
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Bruce A. Measure  
Montana

Rhonda Whiting  
Montana

October 21, 2005

Dear Interested Party:

The Northwest Power and Conservation Council (Council), in coordination with the Bonneville Power Administration (Bonneville) is currently seeking proposals for projects to protect, mitigate and enhance fish and wildlife affected by the development and operation of the Columbia River hydroelectric system as presented in the Council's adopted 2000 Fish and Wildlife Program (Program). Implementation of the Program integrates other fish and wildlife obligations such as those required by the Endangered Species Act.

The Council and Bonneville are requiring proposals for all projects **currently funded** under the Fish and Wildlife Program and for **newly** proposed projects. The Council is soliciting for projects that can be recommended to the Bonneville Power Administration for funding during **fiscal years 2007 through 2009**. We ask that sponsors of project proposals be specific about anticipated accomplishments or objectives that the project is intended to achieve. We are jointly endeavoring to develop and implement a performance-based fish and wildlife program, with biological, environmental or population performance measures clearly set forth in proposals and projects consistent with priorities identified in the recently adopted Subbasin Plans.

To the extent that new information becomes available or additional requirements are identified, Bonneville will work with the Council and others to explore ways to respond to changed circumstances, should they arise.

The Council and Bonneville will continue to provide up-to-date information related to this solicitation and review process. We direct your attention to the Council's website for project selection at [www.nwcouncil.org/fw/budget/2007](http://www.nwcouncil.org/fw/budget/2007). Here you will find the Council's **general project selection guidance** document that describes the project selection process and links to the **project proposal form**. You will also find **contact information** and the **schedule** for the solicitation and review. Be advised that all proposals must be submitted by **5:00 PM on January 10, 2006**.

Sincerely,

D. Marker signed 10/21/05

A handwritten signature in cursive script, appearing to read "Gregory K. Delwiche".

Doug Marker  
Director, Fish & Wildlife Division  
Northwest Power & Conservation Council

Gregory K. Delwiche  
Vice President, Environment, Fish & Wildlife  
Bonneville Power Administration

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**Information and Instructions for the Development and Review of Proposed Projects to  
Implement the Council's Columbia Basin Fish and Wildlife Program  
Fiscal Years 2007 through 2009**

Dear Interested Party:

**Introduction**

The Northwest Power Act calls upon the Northwest Power and Conservation Council (Council) to develop a fish and wildlife program to protect, mitigate, and enhance fish and wildlife impacted by hydroelectric development in the Columbia Basin. Bonneville uses its fund to implement that Program, integrating its other fish and wildlife obligations such as those required by the Endangered Species Act. The Act charges the Council with the responsibility of making annual recommendations to the Bonneville Power Administration (Bonneville) for funding fish and wildlife projects.

The Council has an adopted Program, recently extensively updated with subbasin plans that describe objectives and strategies for fish and wildlife protection and restoration. The subbasin plans will be critical reference and prioritization guides for developing proposals in this solicitation (for more on subbasin plans see [www.subbasins.org](http://www.subbasins.org)). Bonneville has identified its annual budget for the Program for Fiscal Years 2007 through 2009. With those pieces in place, the Council and Bonneville are now soliciting proposals for projects to implement the Council's Fish and Wildlife Program and address Bonneville's fish and wildlife related responsibilities. The proposals selected for funding will be for Fiscal Years 2007 through 2009. Proposals for all areas (geographic and category) of the Program are requested in this solicitation<sup>1</sup>. You will use a detailed electronic form to describe your proposal. A link to that form is provided below.

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<sup>1</sup> The Council intends to renew a sequenced review of its program in the near future -- a format similar to the last provincial review process. This process will divide the program into several "tracks". If the Council decides to initiate this sequenced review soon, it is possible that it could be completed in time to revise or replace some Fiscal Year 2009 funding recommendations -- the third and final year of the recommendations-- that will be made in this current project review. The Council has not established a schedule for the follow-on sequenced review process. The Council simply wants to note here that it is *possible* that the third and final year of the recommendations may be revised/replaced if the Council, in the future, decides to start the *next* review process very soon.

The purpose of this document is to give prospective proposal sponsors information regarding the requirements; standards, steps and schedule for this proposal development, review, and selection process to assist them in completing the proposal form and participate in the process effectively.

Detailed schedule and process information is provided as an attachment to this letter. The following is a summary of the schedule and steps for this process:

- October 20, 2005: Request for proposals
- **January 10, 2006:** **All proposals due**
- January 17 - June 16, 2006: Science review and local and basinwide prioritization
- June 16, 2006: Science review report to the Council
- July 14, 2006: Responses for prioritized projects due
- August 31, 2006: Final science review report to the Council
- October 18, 2006: Council recommendations for funding to Bonneville

### **Available Funding**

#### *Expense and Capital Elements*

Bonneville has advised the Council that it will make available for spending an annual average of \$143 million for Fiscal Years 2007 through 2009.<sup>2</sup> In addition to that amount of “expense” funding, Bonneville will also make available up to \$36 million in funds borrowed from the U.S. Treasury. This latter amount, often referred to as “capital” funding, is subject to particular rules and standards prescribed by Bonneville in its “Capital Funding Policy for Fish and Wildlife Projects”. That policy can be found at [www.nwcouncil.org/fw/budget/2007/capitalization.pdf](http://www.nwcouncil.org/fw/budget/2007/capitalization.pdf).

Proposal sponsors may wish to review the Bonneville capital funding policy, and seek guidance from Bonneville and Council staff, prior to developing their proposals. This is especially the case if the proposal is for large facility construction or upgrades, or for sizeable land acquisitions. While not exclusively, these types of projects are those that are most likely to qualify for capital funds. After the proposals are submitted, they will be jointly reviewed by Bonneville and Council staff to see which qualify for Bonneville capital funding.

#### *Bonneville Goals for Project Categories*

Bonneville articulated a goal in its Power Function Review of committing at least 70% of its annual fish and wildlife funding to “on the ground work”, and no more than 25% to research and monitoring and evaluation activities, and 5% to coordination actions. The Council considered these goals but decided **not** to use these targets to allocate funding for Fiscal Years 2007 through 2009. Nonetheless, the Council and Bonneville will work together in this project selection process, and into the future, to focus resources on activities that provide direct benefits to fish and wildlife while maintaining an efficient accountability framework of monitoring and evaluation, research directed at key priorities, and to streamline necessary coordination.

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<sup>2</sup> This is an increase from an annual average spending level of \$139 million in prior years.

Further, with regard to research and monitoring and evaluation activities, the Council recognizes the varied and significant efforts presently underway in the region to better integrate and direct these activities. Although significant progress is being made, more work needs to be done to develop programmatic frameworks and priorities for research and monitoring evaluation activities before proposals for them can be specifically directed or the appropriate overall funding level for these areas can be determined. The Council will endeavor to support and accelerate the development of integrated and efficient research and monitoring and evaluation programs. If progress on these matters can be made expeditiously, the products may be used to inform the Council's proposal funding recommendations to Bonneville for these proposal types as this project selection process concludes.

#### *Structure of the Project Selection Process -- A Province Review and a Basinwide Review*

The figure below illustrates the structure of the project review process. Generally speaking, proposals for habitat protection, habitat restoration, artificial production, and the similar activities will be reviewed in the Province side of the process (see Figure below). This will be work proposed that implements the strategies and objectives in the subbasin plans adopted by the Council. Using subbasin plans as the guide, local groups will prioritize the proposals submitted to develop a proposed work plan to be considered by the Council.

Proposals for work that is not directed or guided by adopted subbasin plans, or said another way, is directed at broader matters related to the Columbia system or overall program will be reviewed in the Basinwide side of the process. For example, broader research, coordination, and monitoring and evaluation proposals will be prioritized by the Council in consultation with Bonneville, fish and wildlife managers, and others as appropriate.

#### *Special Instructions for Monitoring and Evaluation Activities*

The Council anticipates three primary situations in which proposals will advance monitoring and evaluation activities: (1) a proposal focused on monitoring and evaluating an issue that has *broad* application or significance (beyond a single subbasin or province); (2) a proposal focused on monitoring and evaluating an issue with a *limited* area of application or significance (e.g. pertaining most directly to another action, a subbasin, or a province), and; (3) a proposal primarily focused on managing or manipulating habitat or species, but with *associated* monitoring and evaluation tasks included within the proposal.

The first type of monitoring and evaluation proposal, one related to broader matters, will be considered in the Basinwide portion of the review. These proposals will tend to be:

- Focused on monitoring populations or habitat, but are not clearly linked to informing, in a specific and direct way, the management actions or projects that manipulate those populations or habitat;
- Seeking to expand the general knowledge about a species or the environment;
- For information management and coordination generally.

The second type of proposal, one with a more limited area of application, will be considered in the Province portion of the review, (evaluated against subbasin plan priorities and prioritized by

local groups). To more clearly define this, the proposals for monitoring and evaluation will be evaluated in the Province portion of the review when:

- They are designed specifically to provide information about a specific “on the ground” project(s) that manipulate a specific population or habitat feature; and
- That information is directly and specifically used in decisions about whether or not those other management actions (projects) should be continued, modified, or terminated.

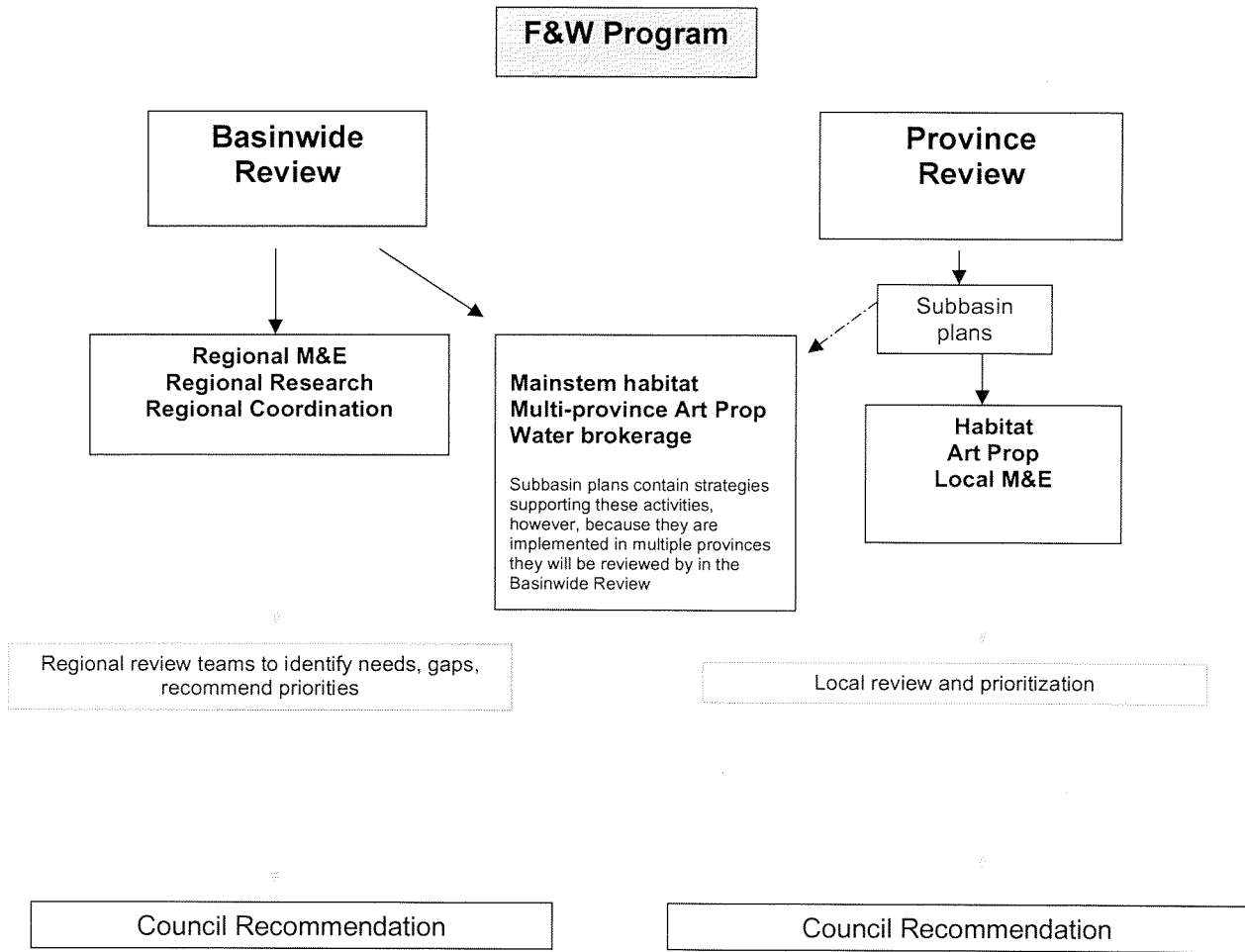
Finally, where proposals are primarily focused on more direct management of habitat or species, but include a component of monitoring and evaluation, the Council intends to limit the scope and nature of that associated component for *habitat* related projects. ***Project level monitoring and evaluation activities for habitat projects, in most cases, should not constitute more than 5% of the proposal budget for compliance and implementation monitoring activities.*** The Council and Bonneville developed the following explanation of compliance and implementation monitoring jointly:

Monitoring of restoration projects is used to assess the status of contract compliance and implementation. Compliance monitoring is a form of post project auditing of project performance. Implementation monitoring documents the type of management action, the location, and whether the action was implemented properly or complies with established standards. It does not require environmental data and is usually a low-cost monitoring activity. This is normally associated with a restoration project where an engineered solution has been constructed, or where a best management practice has been implemented. Thus, implementation monitoring is the monitoring of task completion in a specific project. For example, the researcher may report miles of stream fenced, number of culverts removed, irrigation diversions maintained, implementation of an experiment, numbers of fish PIT tagged, etc.

At this time, there will **not** be a similar percentage limit for monitoring and evaluation activities for artificial production projects. This in no way suggests that the Council believes that the current cost of such monitoring is appropriate for the long-term. In fact, one product of this project selection process will be a total cost and survey of artificial production monitoring and evaluation and research, and that information will be used to help design a program-wide monitoring and evaluation program for artificial production actions and future funding of these activities will be evaluated against that design.

#### *Allocating the Available Funds-- by Program Area and Geography*

In order to ensure the ability for all areas of the Columbia Basin to participate, planning target allocations have been established for each Province. For a map that identifies the Provinces recognized in the Program, see [www.nwcouncil.org/maps/basin.gif](http://www.nwcouncil.org/maps/basin.gif). Similarly, for research, monitoring and evaluation, and coordination activities that are not linked to a particular province, a “basinwide” planning target is established.



The allocations for each Province are based on historical Council recommendations and start from the average of the Council recommendations for Fiscal Years 2004 through 2006. That is, the Council has surveyed how it, along with Bonneville, fish and wildlife managers, and others have traditionally committed funding under the Program. These patterns are the legacy of management emphasis and legal and policy considerations, and are not to be considered perfect or those that will be used in future years.

*Achieving and Maintaining a Division of 70% Anadromous Fish; 15% Wildlife; and 15% Resident Fish*

The Council's 2000 Program carries forward the goal of ensuring that Bonneville funds are committed to all three of these Program areas. The Council made adjustments to the historical recommendations based allocation to reflect the 70/15/15 distribution. The Council notes that while in recent years the resident fish distribution has come close to 15% of the program, it appears that it is the wildlife component that has lagged behind. Therefore, where both resident fish and wildlife projects occur, the Council's intent is to have both of these program areas approach their 15% allocation goal.

The table below illustrates how the expense funding will be allocated across the provinces, multi-province and basinwide portions of the review:

Table 1. Annual Program Planning Budget for FY 2007 - 2009

<b>Budget Step</b>	<b>\$ Amount/step</b>	<b>Balance</b>
Program planning target	\$153,000,000	-
Bonneville Program Support	\$11,000,000	\$142,000,000
ISRP/ISAB	\$1,050,000	\$140,950,000
Placeholders (planning estimate)	\$2,000,000	\$138,950,000
Province allocation	\$92,894,502	
Multi-Province allocation	13,411,338	
<b>Total</b>	106,305,840	\$32,644,160
Basinwide allocation	\$32,644,160	\$0

Table 2. Province/other allocation.

Province	Percent of Allocation	\$ Allocation
Blue Mountain	6.7	\$7,127,528
Columbia Cascade	2.8	\$3,001,663
Columbia Gorge	5.0	\$5,312,554
Columbia Plateau	20.5	\$21,748,203
Intermountain	14.3	\$15,248,105
Lower Columbia	2.3	\$2,492,862
Estuary	3.4	\$3,662,490
Middle Snake	3.2	\$3,374,079
Mountain Columbia	11.8	\$12,590,537
Mountain Snake	15.8	\$16,761,459
Upper Snake	1.5	\$1,575,022
Multi-Province	Percent of Allocation	\$ Allocation
Systemwide	6.3	\$6,709,515
Mainstem	6.4	\$6,701,823
<b>Total:</b>	<b>100</b>	<b>\$106,305,840</b>

### Steps in the Proposal Review and Selection Process

#### *Locate the Program Area for Your Proposal*

With the above information, prospective sponsors should be able to determine their position in the process design -- Basinwide or Province. If on the Province side of the review, potential proposal sponsors should locate the applicable subbasin plan to use as the key guidance. The allocations for each province are presented (see above), and specific guidance and limits for habitat proposal monitoring and evaluation activities discussed above will apply. Additionally, some states, may offer **additional** guidance for proposal development and prioritization--please consult the Council's special web site to see if the state you are working in has additional guidance for proposal development (Oregon has provided additional guidance at [www.nwcouncil.org/fw/budget/2007/or](http://www.nwcouncil.org/fw/budget/2007/or)). You may also contact the appropriate individual identified in the "Contacts" information at the end of this letter to ensure that you have all of the guidance and standards that may apply to your proposal.

#### *Complete the Electronic Form*

The proposal form will draw out all of the needed information. Sponsors need to remember that this form will be the primary and key description relied upon by the Council, Bonneville, the



Independent Science Review Panel<sup>3</sup>, and prioritization groups. Sponsors should take great care in completing the form thoroughly and accurately. At the end of this document, contact information is provided for assistance in completing the form or for information about the solicitation process generally.

#### *Understand the Prioritization Process*

The Council will rely upon groups organized at the subbasin or province scale to review the proposals against subbasin plans. These groups will be familiar with the subbasin plans, and represent fish and wildlife management, watershed board, recovery board (where applicable) and as broad a set of interests as possible.

These groups will evaluate the proposals against the subbasin plans and propose a prioritized work plan for FY 07-09 within the available planning budget to implement the subbasin plans. Not all proposal sponsors will participate in the prioritization. See the contact information below to locate the individual that can give you more and current information about the local prioritization processes and the state of their progress.

For proposals that relate to Basinwide work, the Council, Bonneville, fish and wildlife managers and others will prioritize the proposals for research, monitoring and evaluation, and coordination and develop a workplan for FY 07-09. Prioritization for both the Province and Basinwide Program areas will begin *before* the Science Review Report is released (see next step below). It makes sense to begin the task of evaluating proposals against the subbasin plans for management relevance and priority as soon as possible. Adjustments, if necessary in light of Science Panel comments, can be made later in the process. The prioritized workplans for all areas will be due to the Council at the same time the Independent Science Review Panel provides the Council its written report.

#### *Respond to Science Questions or Issues Raised by the Council*

If the prioritized workplans include proposals that, in the Council's opinion, require additional response from the sponsor, those sponsors will be asked to develop supplemental information that will be considered by the ISRP. This was called the "fix-it-loop" in the last provincial review. The difference here is that not all proposals will automatically get an opportunity to respond to the ISRP critique -- rather, only those that are prioritized by the local/basinwide group, or those where the Council requests more review, may be asked to respond and participate in the "fix-it-loop."

If the Council requests a response, it will be developed on a short time-frame (approximately 30 days). Those responses will be considered by the ISRP, and it will provide an additional report approximately 6 weeks later.

#### *Follow the Council and Bonneville Decision-Making Process*

The Council will consider the prioritized workplans, any public comment, and the ISRP reports as it makes a decision on what proposals to recommend for Bonneville funding. The Council

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<sup>3</sup> Section 4(h)(10)(D) of the Act sets out the criteria that the ISRP will apply.

would like to make funding recommendations at or before its October 2006 meeting. After the Council makes its recommendations, Bonneville reviews them and advised the Council in writing on its acceptance, noting with specificity any points of departure with the Council's recommendations.

The various elements of the review process, and provisional time frames and dates are illustrated in the attached figure.

### **Where to Submit Proposals and Who to Contact**

To access the online proposal form, start at [www.nwcouncil.org/fw/budget/2007](http://www.nwcouncil.org/fw/budget/2007) for instructions and a link to the form itself. When completed (**proposals are due by January 10, 2006**), proposals will be stored at Columbia Basin Fish and Wildlife Authority, and made publicly available after January 10 for review. You will receive confirmation emails throughout the process as your drafts and final proposal are submitted. Check back at the above link for news and updates regarding the proposal development and selection process.

The following individuals can provide questions and assistance:

<b>Central staff lead</b>	Patty O'Toole, 503-222-5161, <a href="mailto:potoole@nwcouncil.org">potoole@nwcouncil.org</a>
<b>BPA lead</b>	Bob Austin, 503-230-4748, <a href="mailto:rjaustin@bpa.gov">rjaustin@bpa.gov</a>
<b>Technical contact (form-specific help)</b>	Amy Langston, 503-274-7191, <a href="mailto:amy.langston@cbfwa.org">amy.langston@cbfwa.org</a>
<b>Science review/ Section 10 (narrative)</b>	Erik Merrill, 503-222-5161, <a href="mailto:emerrill@nwcouncil.org">emerrill@nwcouncil.org</a>
<b>State staff:</b>	
<b>Oregon</b>	Karl Weist, 503-229-5171, <a href="mailto:kweist@nwcouncil.org">kweist@nwcouncil.org</a>
<b>Washington</b>	Tony Grover, 360-696-1584, <a href="mailto:tgrover@nwcouncil.org">tgrover@nwcouncil.org</a> Stacy Horton, 509-623-4376, <a href="mailto:shorton@nwcouncil.org">shorton@nwcouncil.org</a>
<b>Idaho</b>	JoAnn Hunt, 208-334-6970, <a href="mailto:jhunt@nwcouncil.org">jhunt@nwcouncil.org</a>
<b>Montana</b>	Kerry Berg, 406-444-3952, <a href="mailto:kberg@nwcouncil.org">kberg@nwcouncil.org</a>

