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Dear Fish and Wildlife Program Project Sponsors:

Under the Northwest Power Act the Council is responsible for making recommendations to the Bonneville Power Administration (Bonneville) for projects to be funded through Bonneville's annual fish and wildlife budget. The Council is preparing its project funding recommendations for Fiscal Year (FY) 2006. You have received this letter because Bonneville records identify you as the sponsor/implementer of a project that received Bonneville funding in FY 2005. If you desire to receive funding from Bonneville for FY 2006 to continue with your project, we need important information from you. This letter includes:

- A general description of the FY 2006 funding process and information about changes coming in the funding process for FY 2007 and subsequent years;
- A link to an online form that shows the budget for your project that the Council intends to propose to Bonneville;
- A description of the questions on that form that you must answer in order to be eligible for a Council funding recommendation;
- A description of how the Council will evaluate your responses and the steps that lead to its FY 2006 funding recommendation to Bonneville.

General description of the process for developing FY 2006 recommendations and changes in the process coming for FY 2007

The Council developed three-year project funding recommendations in its Provincial Review process that was initiated in 2001 and completed in 2003. The three-year term of those recommendations has expired in all areas except for the mainstem/systemwide projects group (those recommendations extend through FY 2006).

In the interim, the Council has been renewing its funding recommendations annually from the first provincial review for ongoing projects where they continue to be priority work, are within their approved scope and budget, and demonstrate positive accomplishments. The Council's recommendation to Bonneville for FY 2006 will principally be a renewal of existing projects. The Council will *not* ask Bonneville to do a general solicitation for new project proposals. The Independent Scientific Review Panel (ISRP) will not be asked to review all

ongoing projects, but the Council may ask for review in specific limited instances. FY 2006 projects should remain within the scope of the proposal originally reviewed and recommended.

The Council intends to ask Bonneville to conduct a proposal solicitation for work for FY 2007 and subsequent years. That process will be launched in the fall of 2005 and all projects, existing or newly proposed, will need to be described in new proposal form documents. Ongoing and newly proposed work of a similar nature will compete on equal footing for FY 2007 (and out-years) funding. For proposals related to habitat and artificial production work, sponsors will need to show how the proposed work is consistent with applicable subbasin plans adopted by the Council, and further, that the proposed work is of high priority in those adopted plans. Again, there will not be a presumption that projects funded in FY 2006 will receive funding in FY 2007 and beyond — beginning with FY 2007, the proposed work that is demonstrably most scientifically sound and highest priority under the guiding subbasin plan will be recommended for funding.

Questions that sponsors must answer to be eligible for FY 2006 funding consideration

The Council has adopted a large set of subbasin plans into its Fish and Wildlife Program over the last several months. As explained in the 2000 Fish and Wildlife program and during the subbasin plan amendment process, these plans provide the guidance for the development and review of proposed projects, particularly those related to habitat and artificial production activities. The subbasin plans can be found at www.subbasins.org.

Beginning with FY 2006, it is critical that the projects proposed for Bonneville funding demonstrate how they are implementing the applicable subbasin plan. For FY 2006, we will begin drawing those relationships together by asking project sponsors to answer the questions presented below. We are providing an online form for you to provide your answers, found at www.nwcouncil.org/fw/budget/2006. To use the form, just locate your project and click "respond". You'll be asked to register and log in so your response can be verified. The form includes "help" links for each question that include specific instructions and example responses.

Not all projects proposed for renewal in FY 2006 will relate to an adopted subbasin plan — there are coordination, data management, systemwide research, and other projects that would not be expected to have a direct relationship to any one subbasin plan. If you believe that your proposed work is in this category, in the online form where you are asked questions about the project relative to a subbasin plan, you should state “work not related to a subbasin plan” and proceed to the other questions.

1. Consistency with subbasin plans

Habitat protection and restoration projects should relate to a subbasin plan. In addition, there may be existing research or monitoring projects that relate specifically to a particular subbasin. To demonstrate that your proposed project is consistent with a plan and is priority work proposed by the plan, please provide the following information:

- Cite the specific strategies and/or objectives in subbasin plan that your project relates to in order to demonstrate *consistency*. Provide the page number(s) in the plan containing those strategies and objectives. (These strategies and objectives should be located in the Management Plan and/or Addendum/Supplement to the Management Plan). Briefly explain how your project implements the strategies and objectives that you cite.

2. Priority under subbasin plans

- Cite provisions of the subbasin plan that demonstrate that the work conducted through your project is *priority* work as defined by the subbasin plan. Please provide section and page number references to the plan.

Examples of how *priority* can be presented include, but are not limited to: where the applicable subbasin plans have an explicit Prioritization Framework (typically in the Management Plan section) describe how your project fits within it, or; where the applicable subbasin plan Assessment identified key limiting factors or key assessment findings, explain how your project addresses them, or; where the applicable subbasin plan prioritized or ranked habitat protection and restoration work by geographic area (such as in the EDT “tornado diagrams” or dot charts) explain how your work relates to those. These are examples of how sponsors may make a showing of “priority” based on subbasin plans—other approaches are welcome, but should be grounded explicitly in the subbasin plan (Management Plan and/or Assessment). In all cases, please cite to the subbasin plan section(s) and page number(s).

3. Proposals not directly related to subbasin plans

If you do not believe that your proposal is related to a subbasin plan, please indicate “work not related to a subbasin plan” in those text boxes. However, after doing that, you should specifically identify and cite any guidance or plan document to which your proposal relates. Examples include the Council’s 2000 Fish and Wildlife Program, the Updated Proposed Alternative for Operation of the FCRPS, etc.

4. Reporting past accomplishments and identifying anticipated FY 2006 accomplishments

Sponsors should report what their projects have accomplished since the time they were recommended for funding by the Council in the last provincial review recommendation process. Although many ongoing projects have been in existence since well before the Provincial Review process, it is the Council’s original Provincial Review recommendation (with any subsequent within-year modifications) that is being proposed for renewal for FY 2006. Therefore, the most appropriate benchmark in time for reporting accomplishments for FY 2006 renewal is that last Council recommendation.

The online form contains a list of metrics from which you should choose for reporting accomplishments. If you do not believe that the metrics provided allow you to report adequately, you may present your own in the narrative field, but it would be most helpful if they describe

your accomplishments as directly and succinctly as those in the provided list. All sponsors are invited to couple their reports of accomplishments relative to metrics with a brief and direct narrative discussion.

In addition to reporting past accomplishments as described above, sponsors should report what they expect to accomplish with the FY 2006 funding sought. These anticipated accomplishments should be expressed in the same terms as past accomplishments.

For more information about metrics and why the Council is requesting metric data, see the "why are we asking for metrics" links on the online form.

5. Anticipated FY 2006 project budget

The Council staff, with assistance from Bonneville, reviewed ongoing projects that are likely candidates for renewal in FY 2006, and identified the budget for each project. The budget determination is based on a continuation of the previously Council recommended scope of work. It is important that sponsors understand that in this renewal process **new or expanded activities will not be recommended for funding**. New or expanded work will be considered in the next Provincial Review Process. Similarly, in order to support all of the ongoing projects that the Council staff anticipates will seek renewal in FY 2006, requests for increased funding to address escalating personnel and/or materials costs will not likely be supported. However, sponsors may wish to provide information on additional funding demands caused by increasing costs in these areas so that it may be documented and considered by the Council and Bonneville as they design the project selection and recommendation process that will apply to FY 2007 and subsequent years.

The project and budget information can be viewed at www.nwcouncil.org/fw/budget/2006. Sponsors are asked to review this information and report the following:

- Confirm that you want your project renewed for FY 2006;
- If your ongoing project is **not** shown in the online list of projects, contact Patty O'Toole (503-222-5161);
- Confirm the Council staff FY 2006 budget identified for your project if it appears consistent with your expectations;
- If you believe that the budget identified is **not consistent** with the budget previously approved by the Council or Bonneville, please reference as specifically as possible the Council or Bonneville approval action you believe applies and the funding level that you believe was approved (nature of action, date, authorizing person, etc);
- If you believe that the budget identified is **consistent** with the budget previously approved by the Council or Bonneville, but is **not sufficient** to implement the scope and nature of activities approved for the project, please specifically identify, the additional funds required and what previously approved project elements those funds are needed for. Please be specific when describing the additional funding necessary, and why those funds are needed (e.g. to deal with increased fuel costs, personnel costs, unanticipated costs to perform approved work, etc).

How the Council will use the information you provide in forming FY 2006 funding recommendations to Bonneville

The Council will review the responses provided to ensure that the proposals seeking renewal in FY 2006 are consistent with subbasin plans (or other guiding documents where activities do not relate to subbasin plans). The Council will also be interested to see how these existing projects coincide with what the plans present as priority work. While these reviews may not drive the Council renewal decisions this year, issues of consistency and priority with guiding plans will be critical issues in the upcoming Provincial Review Process for FY 2007 and beyond. Evaluating the FY 2006 renewal projects in this way should allow for early notice and a smoother transition for all parties if some ongoing projects do not seem to relate to their guiding plans.

Similarly, the information sought regarding past accomplishments will be reviewed and considered for the Council's FY 2006 recommendation. If a project is unable to demonstrate reasonable accomplishments since the last Provincial Review recommendation, further inquiries with Bonneville and the sponsor will be conducted before the project is recommended for FY 2006 funding. Moreover, if the sponsors are able to report past and anticipated accomplishments in terms of the metrics provided, the Council and others can produce reports for both internal and external purposes showing what is being achieved in the Fish and Wildlife Program.

Finally, the project and budget information will be reviewed to ensure that all of the projects seeking renewal in FY 2006 have been identified. The project budget information, if confirmed by the sponsor, will be that which is included in the Council's recommendation to Bonneville. Where sponsor-proposed budgets are lower than as presented, adjustments will be made. Where sponsor-proposed budgets exceed those presented, they will be scrutinized to ensure that the cause is not new or expanded beyond that approved previously (again, new and/or expanded work will be considered in FY 2007 and subsequent years). If sponsors present increased project budgets that respond to increased personnel, material, overhead costs, etc., those will be carefully reviewed and catalogued. Again, it is very unlikely that these increased costs can be equitably accommodated across the program within available funds. Additional funding needs of this sort will be considered in the within-year budget adjustment process that takes place during the fiscal year.

Thank you in advance for providing the information required to secure FY 2006 funding renewals. We have tried to streamline and minimize the amount of material required here, but it is very important to begin to relate work in this program to the new subbasin plans, identify that body of work that is outside of the plans, and to report all work in terms of accomplishments. If you have questions about this request or how to access or use the electronic renewal form please contact Patty O'Toole at 503-222-5161 or potoole@nwcouncil.org.

Sincerely,