

Issue summary for Mountain Columbia provincial review

General Issues:

Issue 1: Assumption of base budget for reference when Council adds or subtracts project funding.

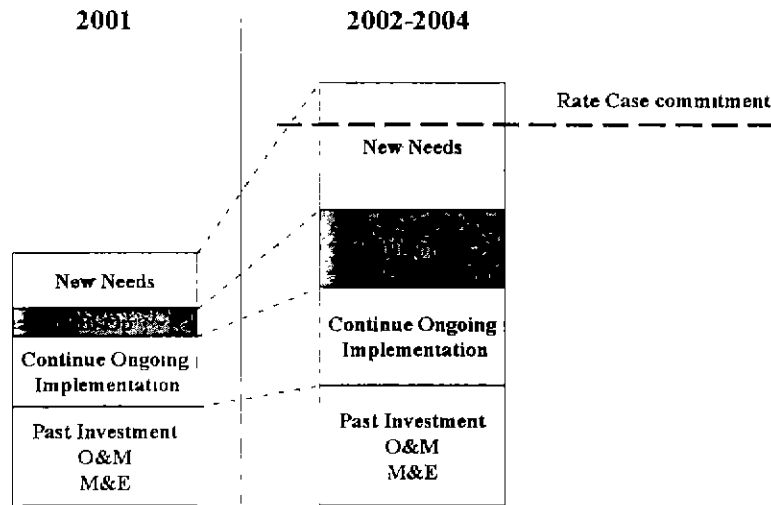
The Council should consider how to develop budgets for each provincial review so that the total funding recommendations at the conclusion of all of the provincial reviews will be within the funding commitment established by Bonneville for Fiscal Year 2002 and beyond. Bonneville's commitment is to a range of funding currently estimated to average \$186 million for expense and capital projects. This funding commitment includes assumed costs for Bonneville's off-site mitigation requirements of the Biological Opinion.

The Mountain Columbia provincial review is the third of nine provincial reviews plus a review of mainstem and systemwide projects. While recommended Mountain Columbia budgets in 1999 through 2001 were between \$6 million and \$13 million, the Columbia Basin Fish and Wildlife Authority recommends annual project budgets of \$26 million to \$29 million for 2002 through 2004 - a much greater rate of funding increase than could be sustained across the entire Columbia basin within current Bonneville funding commitments.

The staff call this issue to the Council's attention and suggest a budgeting approach that considers new needs but with an additional approval sequence that should ensure that all provincial reviews are completed before the total program budget is allocated.

Proposed budget approach: Develop provincial budgets from tiers of budget categories:

1. Determine the "base budget" of the province's program budgets - a.) operation and maintenance of previous program investments, and b.) monitoring and evaluation of previous program budgets. These projects should have Independent Scientific Review Panel "fundable" recommendations and "high priority" funding recommendations from CBFWA.
2. Determine the requirements to a.) continue ongoing projects that received positive ISRP and CBFWA review and b.) implement defined off-site mitigation requirements of Bonneville from the 2000 Biological Opinion for the federal hydropower system and other Endangered Species Act requirements.



3. Defer initiating new or expanded programs pending completion of all provincial reviews and determining the remaining available budgets. New or expanded projects with positive ISRP and CBFWA reviews would then be considered in a prioritization exercise that would include a definition by Bonneville of final funding commitments through 2005.

Issue 2: Response to ISRP project criticisms. In individual project reviews, the ISRP offered specific comments or concerns about project designs. In the Intermountain and Columbia Gorge provincial review decisions, the Council approached this issue in the following manner:

The Council has two levels of treatment depending on the nature of the issue. First, where the ISRP rated projects as “fundable,” but noted specific science-based deficiencies *without specifically recommending* that those deficiencies be addressed by the Council or in contracting, the Council should *encourage, but not require* the sponsors to address these deficiencies as it contracts with Bonneville. The second level of treatment is for those projects rated as “fundable,” but *also included* one or more of the following:

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1. A *specific science-based* recommendation from the ISRP that the deficiency should be addressed as part of contracting or in some other review process; or
2. A management or policy issue raised by the Council or CBFWA. In a number of cases, the Council added specific conditions or requirements as terms for its recommendations for project funding.

For these projects, the Council would follow the recommendation of the ISRP, and advise Bonneville and project sponsors that its funding recommendation is made with a condition that written documentation of how the issues have been addressed prior to or as part of contracting with Bonneville.

Staff recommendation for Council action: The staff will bring to the Fish and Wildlife Committee a table of specific project issues that should be addressed in contracting.

Pend Oreille Subbasin

Base Program:

Operation and maintenance of past projects:

- Pend Oreille wetlands wildlife mitigation project (199106000)
- Albeni Falls wildlife mitigation project (199206100);
- Kalispel Tribe resident fish project (199500100)

Monitoring and evaluation projects:

- Pend Oreille wetlands wildlife mitigation project (199106000)
- Albeni Falls wildlife mitigation project (199206100);
- Kalispel Tribe resident fish project (199500100)

Continuation of ongoing programs

- Albeni Falls wildlife mitigation project (199206100);
- Resident fish stock status above Chief Joseph and Grand Coulee Dams (199700400)
- Lake Pend Oreille fishery recovery project (199404700)

Endangered Species Act requirements of the federal hydropower system:

None

New or expanded programs:

- Genetic inventory of bull trout and westslope cutthroat trout in the Pend Oreille subbasin (24008)

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- Lake Pend Oreille predation research (24001)
- Trestle Creek habitat acquisition (24003)
- Pend Oreille/Priest Lake exotic fish suppression (24004)
- Kalispel tribe resident fish (199500100)

Pend Oreille Issue 1:

The ISRP (p. 32) recommends no funding for Pend Oreille Wetlands wildlife mitigation project (199106000). Primary comments were lack of monitoring and evaluation and documentation of results of past measures for a project proposing to continue active enhancement measures.

Initial staff recommendation: Fund O&M for property management only. Resubmit M&E plan in coordination with Albeni Falls mitigation program for consistent approach and then obtain ISRP peer review as a basis for further funding of M&E and active management.

Pend Oreille Issue 2:

The Albeni Falls Wildlife Mitigation Project (199206100) is recommended by CBFWA for a 2002 budget of over \$6 million and a three-year budget totaling over \$19 million. The ISRP (p. 33) concluded its review with a "do not fund" recommendation. The Panel's criticisms centered on lack of information on past results and the potential effectiveness of proposed restoration measures.

Initial staff recommendation: (Peter and John Ogan are developing proposed detail) The staff concluded that this issue needs broader attention from the Council. This project is one of several wildlife habitat acquisition projects that received "do not fund" recommendations from the ISRP. These proposals address continuing mitigation requirements for habitat lost by the development of the federal hydropower system. The project sponsors believe they have developed their proposals consistent with the standards of the Council program, but their proposals are severely criticized by the ISRP for general lack of specificity for the criteria to select properties for acquisition, long-term maintenance and monitoring approaches. The ISRP noted this issue in its overall comments (p. 5). It said,

"the inherent difficulty with a land and water acquisition fund from the perspective of scientific review is that specific projects are not identified, described and justified prior to fund allocation. Thus, projects or purchases can only be reviewed retrospectively. Front-end accountability can be facilitated through development of specific criteria that rank or prioritize potential land or water acquisitions according to their potential benefits to fish and wildlife."

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Noting that the Program calls for establishing a land and water acquisition fund and that discussions of funding allocation and criteria are continuing, the ISRP asked the Council for guidance "on how to effectively review projects that fall within the trust fund approach".

The staff would make new programmatic funding of wildlife losses mitigation for Albeni Falls dependent on resolution of the land and water acquisition trust fund. In the meantime, necessary operation and maintenance of existing acquisitions would continue. The remaining issue, then, would be to determine an appropriate reserve of project budgets pending a resolution of the land and water acquisition fund. The staff would seek additional CBFWA recommendations on a reserve amount.

Pend Oreille Issue 3:

Should the Council support continued funding of the monitoring of effects of lake levels on the kokanee fishery in Lake Pend Oreille (199404700)? The project was initially approved as a five-year study that would conclude this year but its scope of continued monitoring was endorsed by the ISRP (p. 15) and CBFWA. The staff noted that project reports don't appear to be current, as indexed on Bonneville's fish and wildlife website.

Staff recommendation: Fund for one year, pending an assessment of the first five years' study. Condition contracting on assurance that past reporting requirements are completed.

Pend Oreille Issue 4:

The ISRP (p. 22) made a "fund in part" recommendation for Kalispel Tribe resident fishery project (199500100). The ISRP found no need for objective 2 of the project. Otherwise, continued implementation of the project is fundable.

Initial staff recommendation: Fund with the elimination of objective 2 of the project as recommended by the ISRP. However, the staff read the ISRP report as raising significant enough concerns about the merit of the project that the project sponsors should take seriously the ISRP's request for an assessment of the project's performance before the beginning of the next provincial review for the Pend Oreille subbasin.

Pend Oreille Issue 5: A new proposal (24004) for measures to suppress exotic species in Priest Lake was a high priority CBFWA recommendation but received only conditional approval from the ISRP (p. 19). The ISRP's review found merit in the project concept (constructing a barrier to fish passage between Upper and Lower Priest Lake),

but said that constructing an effective barrier that would still allow boat passage would be a "leap of faith". In the end the ISRP report concluded that, "this effort is still too weak to merit funding".

Initial staff recommendation: The question is whether this project, a new proposal, should be initiated in this round of provincial review decisions. The staff conclude that the ISRP review noted sufficiently severe questions about the proposal that the project should not be initiated at this time.

Coeur d'Alene subbasin

Base program:

Operation and maintenance of past investments:

- Implement fishery enhancement opportunities on the Coeur d'Alene Reservation (19904400)

Monitoring and evaluation of past investments:

- Implement fishery enhancement opportunities on the Coeur d'Alene Reservation (19904400)

Continuation of ongoing programs:

- Lake Creek land acquisitions (1990401)
- Coeur d'Alene Tribe trout production facility (199004402)

New or expanded initiatives:

- Wetland/Riparian protection, restoration and enhancement in the Coeur d'Alene subbasin
- Center for GIS analysis and information in the Coeur d'Alene subbasin
- Implement fishery enhancement opportunities on the Coeur d'Alene Reservation (19904400)

Coeur d'Alene Issue 1:

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The ISRP (p. 21) supported the Coeur d'Alene watershed restoration project (199004400) with conditions. The ISRP criticized the goals of the project as unrealistically high and lacking adequate monitoring.

Initial staff recommendation: These comments should be resolved in contracting.

Coeur d'Alene Issue 2:

The ISRP (p. 22) endorsed the Lake Creek land acquisition project (199004401) but tied continued support for the project to assurance that there will be consistent criteria for the selection of future properties. The ISRP also raised a "question of accountability for the last ten years", which the staff assume refers to the long history of funding commitment for the project. A request is pending from CBFWA to revise the use of the existing budget for this project for other properties than were previously identified in the original proposal.

Initial staff recommendation: The project should be funded but with further explanation from CBFWA of how the budget for this project should be combined with another Coeur d'Alene habitat acquisition project (24015). The comments from CBFWA aren't clear on this point. The staff also comment that the ISRP concern about the accountability for this project may not be informed by the full history of this project which was a lengthy negotiation for a specific parcel that ultimately failed. While there has been a continuing budget reserved for the project, the budget has carried forward for several years pending resolution of negotiations. The staff recommend the Council approve the pending request to allow the existing FY 2001 budget to be available for other parcels subject to the use of criteria in the project proposal for this review.

Coeur d'Alene Issue 3:

The ISRP (p. 30) recommends no funding for the Coeur d'Alene Tribe's proposed trout production facility (199004402). The central criticisms are the basis for artificial production assumptions and predation in Lake Coeur d'Alene. The project sponsors ask that the Council allow the current proposal to continue in "Three-step" review, notwithstanding the ISRPs criticisms.

Initial staff recommendations: The staff concluded that the ISRP's criticisms are so severe that further consideration of the existing artificial production proposal will be unsuccessful if returned to the ISRP for review. The ISRP has had enough experience with this proposal concept that its findings here should be considered final.

The staff would offer an approach for returning to a complete revision for the project concept. That would be to offer the Coeur d'Alene tribe an opportunity to consider the challenges observed for an artificial production approach and develop a new conceptual

design. This would be a "step one" review in the Council process for new artificial production projects. The existing budget reserved for project construction would be reallocated to other resident fish needs and the Council. Bonneville, and the Coeur d'Alene tribe would need to develop a budget for new master planning if the Tribe pursues another approach.

Flathead subbasin

Base funding:

Operation and maintenance of past investments

- Secure and restore critical fish and wildlife habitats (24018)
- Hungry Horse mitigation (199101903)

Monitoring and evaluation of past investments

- Secure and restore critical fish and wildlife habitats (24018)
- Hungry Horse mitigation (199101903)

Endangered Species Act requirements of the federal hydropower system:

None

Continuation of ongoing programs:

- Stocking of offsite waters for Hungry Horse mitigation from Creston Hatchery (199101904)
- Research, monitor and restore native species (24019)

New or expanded programs:

- Secure and restore critical fish and wildlife habitats (24018)
- Riparian habitat protection at Weaver Slough and McWinegar Slough (24012)
- Hungry Horse mitigation (199101903)

Flathead Issue 1:

The ISRP (p. 24) recommends elevating the Flathead Land Trust's proposal for riparian habitat preservation on the Flathead River (24012). CBFWA had questioned the ISRP's initial positive review for this habitat acquisition proposal when it had been critical of others (see general issue 2 about the review of land acquisition proposals. The ISRP's

response is illuminating, stressing the importance it places on proposals with clear criteria for prioritizing habitat acquisitions.

The proposal is for purchase of riparian easements in the Flathead River corridor in coordination with other groups. The purchase of land for wildlife habitat raises an issue of consistency with the Montana Wildlife Trust agreement with Bonneville, because a condition of the trust was that it completed Bonneville's mitigation obligations in Montana.

Initial staff recommendation: Fund but limit to protection of riparian habitat, rather than broader wildlife habitat purposes. As a new proposal, consider whether or not initiation should be deferred, pending Council resolution of the overall budgeting approach.

Flathead Issue 2:

The ISRP (p. 29) recommended no funding for the Salish-Kootenai habitat restoration projects now consolidated under proposal 24018. This is a broad program proposed for \$5 million in FY 2002 and nearly \$14 million over three years.

A sub-issue is consistency with the Program given the completion of Montana wildlife crediting obligations. The Confederated Salish-Kootenai tribes argue that the tribes were not parties to the agreement and do not have access to the lands acquired under the agreement.

Initial staff recommendation: The staff conclude that the ISRP comments were focused on the land acquisition components and consistent with reviews of the Albeni Falls mitigation program. The acquisition program should depend on the resolution of the programmatic approach to land acquisition.

In the meantime, the staff concludes that the ISRP's comments highlight concerns about the continuing watershed restoration and watershed coordinator functions. As will be developed in the discussion of the Kootenai watershed coordinator, the staff recommend continued funding of the base program pending subbasin planning.

Kootenai Subbasin

Base program:

Operation and maintenance of past investment

- Improving the Kootenai River ecosystem (199404900)
- Kootenai River white sturgeon conservation aquaculture (198806400)
- Mitigation for the construction of Libby Dam (199500400)

Monitoring and evaluation of past investment

- Kootenai River white sturgeon conservation aquaculture (198806400)
- Kootenai River fisheries recovery investigations (198806500)
- Mitigation for the construction of Libby Dam (199500400)
- Monitor and protect bull trout in Kooconusa Reservoir

Endangered Species Act requirements of the federal hydropower system:

- Kootenai River white sturgeon conservation aquaculture (198806400)
- Kootenai River fisheries recovery investigations (198806500)
- Mitigation for the construction of Libby Dam (199500400)
- Assess feasibility of enhancing white sturgeon spawning substrate habitat in the Kootenai River (24009)

Continuation of past programs:

- Mitigation for the construction of Libby Dam (199500400)
- Focus watershed coordination in the Kootenai River (199608720)

New or expanded programs

- Smith Creek restoration (24005)
- Assess feasibility of enhancing white sturgeon spawning substrate habitat in the Kootenai River (24009)
- Reconnection of floodplain habitat to the Kootenai River (240100)
- Implement floodplain operational loss assessment on the lower Kootenai River watershed (24021)
- Purchase conservation easement on the Fisher River (24023)
- Expansion of Kootenai sturgeon conservation aquaculture program (198806400)

Kootenai Issue 1:

Define the scope of requirements of the Kootenai white sturgeon recovery plan for Bonneville. The proposed projects received positive ISRP reviews. What of the new or expanded funding proposals are required by the recovery plan?

The recovery team assured Council staff that the scope of the proposals for Kootenai white sturgeon are consistent with Bonneville's obligations under the recovery plan and the Biological Opinion for the hydropower system. The staff have requested Bonneville's confirmation of its interpretation of its obligations.

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Initial staff recommendation: Fund as proposed.

Kootenai Issue 2:

The ISRP (p. 33) recommended no funding for the focus watershed coordination in the Kootenai River. The ISRP cited a history of its own concerns about the project which remain unaddressed by the project sponsor. The ISRP said that the project also lacks reference to rationale or significance to regional programs.

Staff recommendation: The staff conclude that the ISRP criticisms should warrant revisiting the scope and objectives of the watershed coordination function in the Kootenai River. However, this is an integral role for the coming process of subbasin planning, so the staff recommend maintaining a coordination function while the schedule of subbasin planning is determined.

The staff recognize a significant concern in the ISRPs review that applies to the role of watershed coordinators. As described in the Montana proposals, watershed coordination is a broader community outreach function with less than clear reference to specific biological objectives. The staff believe the ISRP's continued evaluation of the performance of watershed coordinators in other subbasins will reveal programmatic issues for Council attention. Already, there is a marked contrast between the reviews in the Kootenai and Flathead and those of the Columbia Gorge subbasins. However, the staff recommend that the Council maintain the watershed coordination function in Montana pending subbasin planning.

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