

Fish and Wildlife Asset Strategy

Purpose and Scope

The Bonneville Power Administration (BPA) is responsible for the protection, mitigation and enhancement of fish and wildlife affected by the constructions and operation of the Federal Columbia River Power System (FCRPS.) BPA is guided in its program implementation by the Northwest Power and Conservation Council's (Council) Fish and Wildlife Program (Program) and the associated biological opinions that regulate the operation of the FCRPS (i.e. 2009 FCRPS BiOp). The Council provides project selection and funding recommendations for the construction of fish facilities and acquisition of land under the Program informed by their public and scientific review procedures. Subsequently, through the Integrated Program Review (public cost-review process), BPA develops a capital budget for program implementation. Once BPA receives Council recommendations projects are selected for funding. This funding activity supports Program purposes, such as mitigation for construction and inundation, providing habitat for wildlife, securing riparian buffers to protect streams for fish, and providing land for construction of fish hatcheries.

Funding the construction of a facility or acquisition of land under the capital budget portion of the Program does not result in BPA taking title or owning the facility or land (reflects current program policy). The funded entity or sponsor (usually a Tribe, state or other federal agency) takes title on a permanent basis together with ownership responsibilities (i.e. payment of property taxes). BPA's asset value in a property is secured through the use of a required conservation easement that is placed on the property. The conservation easement gives BPA enforcement rights on the property *in perpetuity* to ensure the natural resource values (wildlife benefits) are for ever protected. The main thrust is to maximize asset value consistent with sound business practices, while optimizing the use of limited capital and staff resources.

Background

Performance objectives for wildlife mitigation and land acquisition were determined by Council driven loss assessments conducted in the 1980's and formalized in the Council's Fish and Wildlife Program, most recently updated in 2009. For critical assets, asset owners and operators develop asset management plans that identify how the asset is being maintained to ensure the value is sustained year after year. Hatchery strategies have resulted in increased juvenile and adult returns. Within the Columbia River Basin, all hatchery programs are under review. The Hatchery Scientific Review Group (HSRG) has reviewed hatchery and wild stocks to improve management practices to meet conservation goals while providing for sustainable fisheries. The review process encompasses all anadromous hatchery programs in the Columbia River Basin and addresses changes and reforms in hatchery practices. HSRG recommendation along with BiOp requirements provided the main criteria for current hatchery project selections.

Wildlife mitigation targets are nearing completion. The acquisition of wildlife land and subsequent conservation easements have ensured that prohibited activities are prevented. A management plan is prepared for each property that identifies the activities to sustain, restore, and enhance the value and benefit of the original investment. The value has been increasing for these properties as determined by the recent Council Wildlife Crediting Forum.

Asset Management Objectives

The collaborative and shared responsibility characteristics of the BPA Fish and Wildlife program performance objectives are set by Biological Opinions, court orders, and Council recommendations. BPA does not own, operate or maintained fish and wildlife facilities or land. BPA does provide sources of funding to deliver on recommendations for hatchery and fish facility additions, upgrades and replacements and the acquisition of conservation land parcels and easements.

Hatchery and Fish Facility Assets: BPA Fish and Wildlife Management receives from the Council decision letters that make recommendations on projects to fund. BPA’s objective is to make funding decisions based on capital availability and annual constraints to deliver on these Council recommendations

Land Assets: Over the history of the BPA Fish and Wildlife Program various agreements have been reached with acquisition sponsors based on the Council Fish and Wildlife Program and Loss Assessments. In these agreements BPA commits to providing “pre-acquisition” funding to allow the sponsor to find potential parcels and obtain and prepare various acquisition documents; appraisals, titles, maps, sales agreements, etc. As the sponsor nears completion of this pre-acquisition work they propose a level of mitigation credit they will extend to BPA in exchange for funding. BPA then negotiates a conservation easement to establish how the properties are to be maintained, what activities are prohibited, and BPA’s enforcement right. See Table 1 below for a list of current capital projects for land acquisition.

Key Drivers

The following are key drivers in determining level of funding of the Fish & Wildlife program:

- Need to increase habitat for wildlife and resident fish
- Need to increase adult fish returns and mitigate impacts of hydro projects
- Need to improve out-migration of juvenile fish and increase adult spawning habitat drive investment in fish passage improvements

BPA and the region benefit from these investments through the mitigation of effects of hydro operations and enable continued operation of the Federal Hydro projects in the Columbia River system.

Key Risks

There are many uncertainties and risks that impact the fish and wildlife program and salmon recovery and wildlife mitigation.

For wildlife land acquisitions, willing sellers in priority locations (associated with FCRPS dams). Political pressures affect land securing actions due to concern over property tax issues (i.e. the affect of lands moving into a “tribal trust” status in the long-term.)

The risks associated with meeting hatchery objectives are complex and involve, for example, an entities ability to identify a location that has adequate water supplies, secure environmental permits, broodstock availability, acclimation facilities, etc.

Risks to filling gaps for fish passage include local government and private landowner practices, meeting permitting requirements, and road development that create barriers to potential healthy habitat.

In addition, risks include everything from operational failures, to natural events, like fire and weather, to court ordered harvest rules and ocean conditions.

Strategy Direction

Wildlife objectives are being met with current program strategies of funding land acquisitions that provide significant wildlife benefit toward achieving completion of our mitigation obligation. For secured wildlife lands under the program, BPA seeks a sustainable operation and maintenance funding level that maintains benefit and value level, i.e. habitat credit.

In general, hatchery production is used to increase juvenile out-migration and thus an increase in adult returns, but for some fish populations needing additional support, it has been determined that additional hatcheries are required. For hatcheries, the need is to supplement fish populations of concern under ESA as guided by the various BiOp’s. Our strategy is to continue working with sponsors through the Northwest Power and Conservation Councils Three Step program to fund hatchery projects. See Table 2 below for currently planned hatcheries.

Access to available habitat needed to increase spawning continues to be limited by various obstacles. For passage improvements, the need is to ensure our ability to increase the amount of smolt out-migration and as returning adult numbers increase the need is to ensure available high quality habitat.

Additionally, BPA has reached settlement agreements in many forms, including Land Use Agreements (LUAs), Accords, MOA’s and settlement agreements that guide our future direction.

Costs – Capital and Expense

There is a growing O&M responsibility due to past investments. However, that O&M responsibility is met through the expense budget, of approximately \$15 million per year for the wildlife program. For land acquisition in FY 2012 the proposed capital budget is \$26.8 million. The proposed hatchery capital budget is \$24.2 million and for passage/other the budget is \$8.7 million. The total FY 2012 proposed capital budget is \$59.8 million.

Table 1
Annual Capital Budgets for Land Acquisition Projects from FY12 – FY15

| Authorized or Approved | Project Number | Project Name | Project Description | FY11 Actuals as of 9/30/2011 | Annual Capital Budget for Acquisitions | | | | |
|------------------------|----------------|---|--|------------------------------|--|--------|--------|--------|-------------------|
| | | | | | FY12 | FY13 | FY14 | FY15 | Total for FY12-15 |
| | 2008-800-00 | Montana Resident Fish Habitat Acquisition | Land acquisitions with MFWP to mitigate for impacts of Hungry Horse and Libby Dams on resident fish | \$9.7M | \$3.3M | \$1.4M | | | \$4.7 |
| | 1992-061-00 | Albeni Falls Wildlife Mitigation Capital Land Acquisition | Land acquisitions with Coeur D'Alene Tribe, Idaho Department of Fish and Game (IDFG), Kalispel Tribe, and Kootenai Tribe to mitigate for impacts of Albeni Falls Dam on wildlife | \$1.8M | \$5.0M | \$5.0M | \$5.0M | \$5.0M | \$20.0 |
| | 2002-003-00 | Secure and Restore Fish and Wildlife Habitat in Montana | Land acquisitions with CKST to mitigate for impacts of Hungry Horse and Libby Dams on resident fish | \$4.0M | \$2.5M | \$2.5M | \$2.5M | \$2.5M | \$10.0 |
| | 1995-057-00 | Southern Idaho Wildlife Mitigation | Land Acquisitions with IDFG to mitigate for impacts of Anderson Ranch, Black Canyon, Palisades, and Minidoka Dams on wildlife | \$17.3M | \$4.8M | \$2.5M | \$2.5M | \$2.5M | \$12.3 |
| | 1995-057-02 | Shoshone-Bannock Wildlife Mitigation Projects | Land Acquisitions with SBT to mitigate for impacts of Anderson Ranch, Black Canyon, Palisades, and Minidoka Dams on wildlife | \$2.0M | \$3.7M | \$1.5M | \$1.5M | \$1.5M | \$8.2 |
| | 1995-057-03 | Southern Idaho wildlife Mitigation-Shoshone-Paiute | Land Acquisitions with SPT to mitigate for impacts of Anderson Ranch, Black Canyon, Palisades, and Minidoka Dams on wildlife | \$0 | \$2.9M | \$2.5M | \$2.5M | \$2.5M | \$10.4 |
| | 2011-003-00 | Willamette Wildlife Fund | Settlement with State of Oregon for wildlife impacts from Willamette Dams | \$0 | \$4.8M | \$2.5M | \$8.0M | \$8.2M | \$23.5 |

Table 2

Most Significant Hatchery and Fish Facilities (\$ in Millions) Planned for FY12-15

| Authorized or Approved | Project Name | Project Description | Actuals as of 9/30/11 | FY12 | FY13 | FY14 |
|------------------------|---|---|-----------------------|---------|-----------|--------|
| | Mid-Columbia Reintroduction Feasibility Study | Yakima Coho Hatchery (Pre-construction Council 3 Step Process underway) | \$500,000 | \$6.5M | \$800,000 | |
| | Chief Joseph Hatchery (under construction) | Colville Tribe Hatchery, Land Use Agreement to guide future O&M | \$24.5M | \$13.9M | \$2.4M | \$0 |
| | Snake River Sockeye Captive Propagation | Council Step 1 and Master Plan Completed IDFG | \$0M | \$3.1M | \$5.5M | \$2.2M |
| | Klickitat Production Expansion | Yakima | \$9.0M | \$3.5M | \$3.0M | 0 |
| | Crystal Springs Hatchery (Sho-Ban Tribe) | Sho-Ban Tribe Chinook/Steelhead Hatchery for Yankee Fork | 0 | 0 | 0 | \$3.8 |
| | Kootenai River White Sturgeon Hatchery | Council Step 1 and Master Plan completed | \$0M | 0 | \$8.5M | \$5.0M |
| | Walla Walla Hatchery | Just beginning Step 1 | 0 | 0 | \$7.2M | \$4.0M |