Yakama Nation Mid-Columbia Coho Reintroduction
# Funding Agreement

September 4, 2018
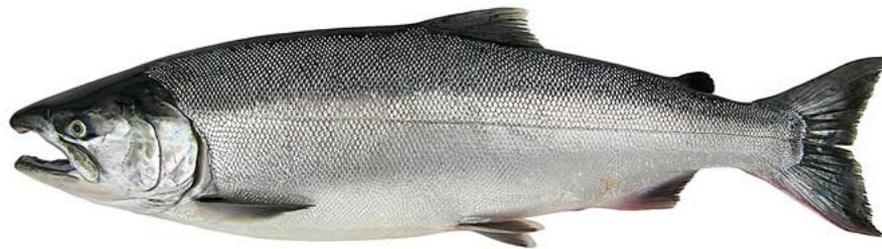
Why We Are Here

➢To discuss the proposed 15-year Funding Agreement with the Yakama Nation (YN) for <u>continuation</u> of the District's ongoing HCP coho obligation

➢Information only today. Return September 17 for authorization

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What we'll cover

➤ Background
  - Obligations
  - Program Description
➤ Agreement framework
  - Terms
➤ Cost-Effectiveness Considerations
➤ HCP Credit
➤ Next Steps
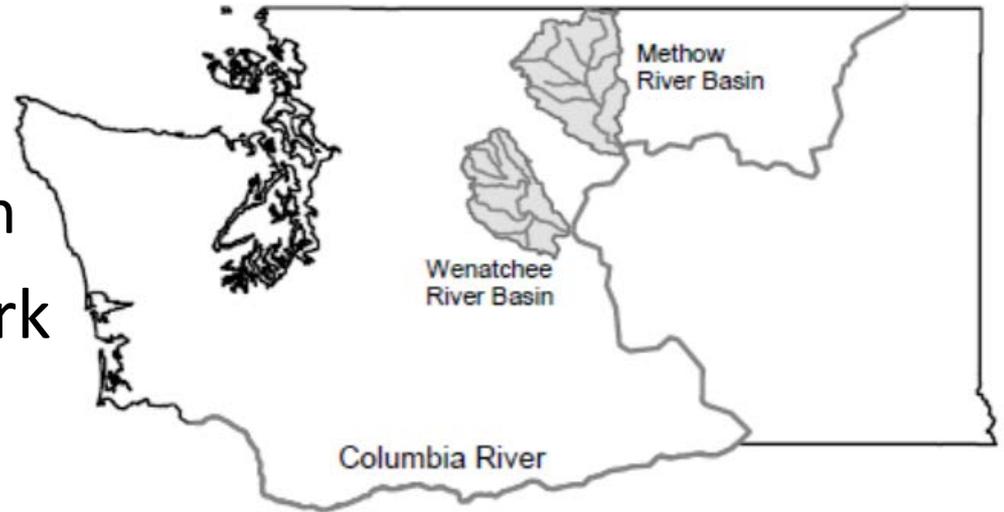
Mid-Columbia Coho Restoration Site Map

Habitat Conservation Plans

➢Habitat Conservation Plans (HCPs) satisfy our FERC obligation to operate Rocky Reach (RR) and Rock Island (RI) dams while protecting salmon and steelhead

➢Under the HCPs, hatchery programs are part of achieving ***no net impact*** on salmon and steelhead migrating past Rocky Reach and Rock Island dams

Habitat Conservation Plans

➢ At the time the HCPs were signed, coho no longer existed in the mid-Columbia River

➢ Section 8.4.3.a of the RI and RR HCPs contemplates coho as a plan species

➢ On June 20, 2007 the HCP Hatchery Committees approved Statements of Agreements signifying that the District should begin providing hatchery compensation for coho salmon

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Habitat Conservation Plans

➢ August 29, 2007 HCP HC approves funding YN coho Program for 10 years to fulfill hatchery obligations

➢ January 17, 2018 HCP HC approves coho Program as satisfying coho obligation so long as YN and Chelan enter into an Agreement

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Yakama Nation Coho Program

➢ Objective of the coho reintroduction project is to reestablish naturally spawning coho populations in mid-Columbia tributaries

➢ The YN is the lead entity for coho reintroduction into the Wenatchee and Methow subbasins since the mid-1990s

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Yakama Nation Coho Program

➢ Bonneville Power Administration completed a coho Master Plan and began funding the Program in 2007 under the Accords

➢ Chelan PUD funded a share of the Program from 2007-2017

➢ Grant and Douglas PUDs also funded a portion of the Program

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Current Status

- 10-year Funding Agreement with YN expired December 31, 2017

- Staff exploring options for future compliance

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Alternatives Considered

➢ Leverage existing excess capacity at District-owned facilities to create new coho program

- No excess capacity for final rearing in Wenatchee or Methow basins

- Stakeholder concerns about duplicate programs since the HCP HC unanimously supports the YN Program

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Alternatives Considered

➤ Construct new capacity

- Same concerns with using existing excess capacity

- No new discharges in the Wenatchee River (TMDL)

- Expensive property acquisition and construction in Methow

- Duplicate effort for which the District has been contributing the last 10 years (loss of initial investment)

Terms of the Proposed Agreement

➢ Proposed 15-year cost share

➢ Chelan provides access to broodstock collection facilities (Tumwater and Dryden)

➢ Chelan provides option to use Rocky Reach Annex for future cost offset

➢ Mutual termination with exceptions in case of material breach or loss of HCP credit

➢ Chelan's annual average costs will be $605,271; held to 1.75% annual inflation

  ➢ 15 year NTE is $9.7M

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Cost Effectiveness

➢Joint funding partners reduces Chelan's cost (Grant PUD and Douglas PUD have similar funding agreements)

➢Cost per unit of compensation for the Program is $3.52/smolt vs. average $6.31/smolt for other District programs

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What does the Program Provide?

Chelan receives <u>full HCP compensatory credit</u> for coho hatchery mitigation requirements (even if actual production levels vary from year to year)

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Summary Benefits

➢ Guarantees the District meets HCP hatchery obligations for coho through 2032

➢ Continuity and stability with known program and organization

➢ Long-term certainty of costs regardless of other funders

➢ HCP HC approves and supports the program – return on initial investment

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Next Steps

Return September 17 to request authorization
to execute the Agreement