

Wells, Rocky Reach, and Rock Island HCP Tributary Committees Conference Call Notes 11 August 2016

Members Present: Lee Carlson (Yakama Nation), Jeremy Cram (WDFW), Chris Fisher (Colville Tribes), Steve Hays (Chelan PUD), Tom Kahler (Douglas PUD), Kate Terrell (USFWS), Justin Yeager (NOAA Fisheries), and Tracy Hillman (Committees Chair).

Others Present: Becky Gallaher (Tributary Project Coordinator).

The Wells, Rocky Reach, and Rock Island Hydroelectric Projects Habitat Conservation Plans Tributary Committees held a conference call on Thursday, 11 August 2016 from 10:00 to 11:00 am.

I. Review and Adopt Agenda

Tracy Hillman welcomed everyone on the call and the Committees adopted the proposed agenda.

II. Review and Approval of Meeting Minutes

The Committees reviewed and approved the 14 July 2016 meeting notes with edits.

III. Monthly Update on Ongoing Projects

Becky Gallaher gave an update on funded projects. Most are progressing well or had no salient activity in the past month.

- MVID Instream Flow Improvement Project – The project sponsor (Trout Unlimited; TU) reported that construction is substantially complete. There are a few items yet to complete this summer. The sponsor is waiting on the “as-builts” on the E2-E5 Laterals. In addition, the sponsor continues to work with Ecology on how to address the water needs for one landowner.
- Twisp-to-Carlton Reach Assessment Project – This project is complete. The sponsor (Cascade Columbia Fisheries Enhancement Group; CCFEG) will submit a final report this fall.
- Entiat Stillwaters Gray Reach Acquisition – The sponsor (Chelan-Douglas Land Trust; CDLT) did not provide an update on this project.
- Clear Creek Fish Passage and Instream Flow Project – The sponsor (TU) reported that they are coordinating well-drill activities. Drilling is tentatively scheduled for late August or early September. Cultural resources consultation has been initiated. The site assessment will begin immediately after the test well is drilled.
- Barkley Irrigation – Under Pressure Project – The sponsor (TU) reported that all permits have been secured except the 401 and 404. The sponsor is currently looking for additional funds to complete the project. The Colville Confederated Tribes have agreed to contribute about \$1.5 million. The sponsor continues to seek ways to decrease the cost and increase funding. In an effort to save money, TU is planning to purchase about four miles of pipe directly from the distributor. This will eliminate contractor markup.

- Methow Watershed Beaver Reintroduction Project – The sponsor (Methow Salmon Recovery Foundation; MSRF) reported that one beaver was released in July. There are nine active beaver establishments.
- Similkameen RM 3.8 Project – The project sponsor (Okanogan Conservation District) reported that permits have been submitted and that Cardno-Entrix is finalizing project designs.
- White River Floodplain (RM 3.4) Connection Project – The sponsor (CCFEG) reported that the HPA was received on 21 July. The sponsor is working with WDFW to secure the Right of Entry to implement the project on WDFW land. WDFW concluded that an archeology study was needed; therefore, Columbia Historical Consulting has been hired to do the archeology study. A site visit was held with Dickinson Excavation to discuss construction details.
- Icicle Boulder Field Project – The sponsor (TU) reported that no activity occurred during July.
- Peshastin Creek RM 10.5 PIT-Tag Detection Site Project – The installation of the detection equipment is complete and the sponsor (WDFW) will provide an annual report to the Rock Island Committee by 31 December 2016.
- Permitting Nutrient Enhancement Project – The sponsor (CCFEG) reported that Ecology will not finalize the QAPP until they are sure the implementation actions are not going to change as a result of the effectiveness monitoring plan.

IV. Review of Middle Entiat 80% Restoration Plans

The Committees received a request from Chelan-Douglas Land Trust (CDLT) and the Bureau of Reclamation (Bureau) to review the 80% middle Entiat River restoration plans. Specifically, the Committees were asked to review projects proposed on the Tye Creek Confluence and Bockoven South parcels. In January 2016 the Committees reviewed the 60% designs and concluded that they were appropriate. The planners have made some modifications to the 60% designs and would like feedback from the Committees. Because of other pressing issues, the Committees were unable to review the 80% designs and requested more time. The Committees will provide comments to CDLT and the Bureau in September.

V. Leavenworth Diversion Screening Project

In May, the Committees reviewed a General Salmon Habitat Program application from Trout Unlimited titled *Leavenworth Diversion Screening Project*. The purpose of the project is to install a NMFS-compliant fish screen on the City of Leavenworth Icicle Creek Diversion to prevent salmonid entrainment. The diversion is located at RM 5.7 on Icicle Creek upstream from the boulder field. The total cost of the project is \$161,654.28. The sponsor requested \$130,255.28 from HCP Tributary Funds. After careful consideration, the Committees were unable to reach a funding decision. The Committees were surprised that the City of Leavenworth was not contributing financially to the project and asked that the sponsor seek some level of funding (match) from the City. The City has a fundamental and legal responsibility to operate with a conforming screen because resident *Oncorhynchus mykiss* and bull trout contribute to anadromous and adfluvial (respectively) offspring that emigrate past their diversion, and anadromous fish periodically ascend the boulder field. The Committees recommended that the City contribute up to about 25% of the total cost.

The project sponsor responded to the Committees' request in a letter dated 22 July 2016. In that letter, the sponsor indicated that the City of Leavenworth is unwilling to support the project financially. The City noted in a letter to the Salmon Recovery Funding Board Citizen Committee that the City's support of fish passage at the Boulder Field is contingent on coincidental upgrade to their diversion. In other words, the City will not support fish passage at the Boulder Field unless the funding entities screen the Leavenworth

Diversion. Sadly, a large portion of the funding for fish passage at the Boulder Field will go away this year unless the Leavenworth Diversion is properly screened.¹ Some members of the Committees voiced their disappointment with the regulatory agencies for not enforcing the screening of the diversion. Members are also displeased with the City for holding the Boulder Field project hostage, since the City's screening responsibility remains regardless of whether or not the Boulder Field project proceeds. The City's refusal to step up to the funding plate when offered a gift intended to help them with their legal responsibility is troubling. After further discussion, *the Committees elected not to fund this project.*

VI. Information Updates

The following information updates were provided during the meeting.

1. Approved Payment Requests in July and August:

Rock Island Plan Species Account:

- \$87.50 to Clifton Larson Allen for Rock Island financial administration in July 2016.
- \$3,158.00 to Cascadia Columbia Fisheries Enhancement Group for permitting nutrient enhancement in the Chiwawa River.

Rocky Reach Plan Species Account:

- \$87.50 to Clifton Larson Allen for Rocky Reach financial administration in July 2016.
- \$43,749.73 to Trout Unlimited for the MVID Instream Flow Improvement Project.

Wells Plan Species Account:

- \$14,571.26 to Trout Unlimited for the MVID Instream Flow Improvement Project.

- ### 2. Becky Gallaher reported that Cordell, Neher & Company has completed their audit of the Rock Island and Rocky Reach Plan Species Accounts. The accountants submitted a report of their findings to the Committees (see Attachment 1). In summary, they reviewed and tested the deposits into the Plan Species Accounts and reviewed a sample of project financial reports. They found that deposits were made in accordance with the HCP Agreements and that all projects reviewed were approved in accordance with project budgets. The next audit of the Rocky Reach and Rock Island Plan Species Accounts will be in five years. The Wells Plan Species Account is audited annually.
- ### 3. Tracy Hillman shared with the Committees the ranking of SRFB/TC projects by the Upper Columbia Citizen Committees (see following table). Three of the four projects that the Tributary Committees approved for funding (cost share) also received high ranks by the Citizen Committees. Only the Beaver Fever Project, which received a cost share from the Committees, was ranked below the SRFB funding line by the Citizen Committees.

¹ During the September meeting, members indicated, after talking with the SRFB, that SRFB funding for fish passage at the boulder field will not disappear this year if the intake structure is not screened. However, there remains a risk that the funding could disappear next year if the structure is not screened.

CAC Rank	Project Name	RTT Biological Benefit Score	County	Subbasin	SRFB Request	SRFB Allocation	Running Allocation Total
1	Nason Creek RM 2.3 Side Channel Reconnection Design	70.3	Chelan	Wenatchee	\$149,778	\$149,778	\$149,778
2	Silver Side Channel Acquisition Project	68.1	Okan	Methow	\$565,064	\$494,297	\$644,075
3	Peshastin Irrigation District Pump Exchange Design	63.9	Chelan	Wenatchee	\$169,484	\$169,484	\$813,559
4	Twisp River Floodplain Lower Acquisition	56.2	Okan	Methow	\$523,794	\$219,406	\$1,032,965
5	Spring Chinook Monitoring in Lake Wenatchee (Monitoring)	*71.5	Chelan	Wenatchee	\$140,000	\$140,000	\$1,172,965
6	Burns-Garry Floodplain Restoration Alternatives Analysis and Design	65.6	Okan	Methow	\$81,785	\$81,785	\$1,254,750
7	Wenatchee Sleepy Hollow Floodplain Acquisition	62.2	Chelan	Wenatchee	\$165,250	\$165,250	\$1,420,000
8	Identification of Thermal Refugia in Wenatchee Watershed	61.2	Chelan	Wenatchee	\$41,486	\$ -	\$ -
9	Upper Okanogan Habitat Feasibility Assessment	32.7	Okan	Okanogan	\$163,312	\$ -	\$ -
10	Nason Creek Lower White Pine Floodplain Acquisition	53.9	Chelan	Wenatchee	\$127,500	\$ -	\$ -
11	Beaver Fever: Restoring Ecosystem Function	62.1	Chelan	Wenatchee	\$143,428	\$ -	\$ -
12	Upper Peshastin Wood Replenishment Design	47.8	Chelan	Wenatchee	\$60,000	\$ -	\$ -
13	Wenatchee-Chiwawa Irrigation District Piping Project	46.3	Chelan	Wenatchee	\$99,393	\$ -	\$ -
14	Restoring Peshastin Confluence	53	Chelan	Wenatchee	\$700,000	\$ -	\$ -

	Methow Bull Trout Population Status Evaluation (Monitoring) project originally ranked #6; however, we can but we can only allocate 10% of the total allocation to monitoring projects as per RCO requirements. The Spring Ch. Monitoring in Lk Wen project request meets the 10% allocation limit.	*69.9	Okan	Methow	\$75,472	\$ -	
	*monitoring project RTT scores are not comparable to other project scores						
	The CAC's reduced the allocation for Silver Side Channel from \$565,064 to \$494,297 and Twisp River Floodplain Acquisition from \$523,794 to \$219,406						

- Chris Fisher reminded the Committees that the Okanogan Nation Alliance is planning a project tour on 12 and 13 October. The HCP Tributary Committees and PRCC Habitat Subcommittee will attend the tour. Chris will send a draft agenda to the Committees soon.

VII. Next Steps

The next meeting of the Tributary Committees will be on Thursday, 8 September 2016 at Grant PUD in Wenatchee.

Meeting notes submitted by Tracy Hillman (tracy.hillman@bioanalysts.net).

Attachment 1

Rocky Reach and Rock Island Plan Species Accounts Audit Results



CORDELL, NEHER & COMPANY PLLC
 CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REPORT ON
 APPLYING AGREED-UPON PROCEDURES**

To the Habitat Conservation Plan Tributary Committees
 Wenatchee, Washington

We have performed the procedures enumerated below, which were agreed to by the Habitat Conservation Plan Tributary Committees (the "Committees") over the five year period ending December 31, 2013. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

We selected a sample of completed bank reconciliations for the Rock Island and Rocky Reach Plan Species account for each of the five years in our test period. For each reconciliation selected, we tested the mathematical computations, tied the balance per bank to supporting data, traced deposits in transit and outstanding checks to subsequent bank statement and traced any other reconciling items to supporting data. We also observed that the reconciliations were prepared timely. No exceptions were noted based on the procedures we performed.

We reviewed and tested the deposits into the Plan Species accounts to ensure compliance with the HCP Agreement. Based on the procedures we performed, we noted the following:

1. Deposits to the Rocky Reach and Rock Island Plan Species accounts have been made by the Chelan County PUD on a yearly basis in January in accordance with the HCP Agreement and appear to have been calculated correctly based on the requirements set forth in that agreement.

We reviewed a sample of project financial reports which shows the actual expenditures to ensure they were in accordance with the project budget. Based on the procedures we performed, we noted the following:

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1. We haphazardly selected a sample of 1 large project and 1 small project from each Plan Species account for all HCP Tributary projects in progress or complete. Upon review of the associated project financial reports from each Plan Species accounts we noted that all projects selected were approved and were in accordance with the project budget.

We reviewed expenditures made from each of the Plan Species accounts to ensure they were in accordance with the project sponsor agreement. We tested a sample of those expenditures to determine transactions were properly recorded. No exceptions were noted based on the procedures we performed.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Habitat Conservation Plan Tributary Committees and is not intended to be and should not be used by anyone other than this specified party.

Wenatchee, Washington
July 12, 2016