

A RESOLUTION AUTHORIZING THE CITY OF ALBANY TO SUBMIT A GRANT PROPOSAL FOR FISH SCREEN AND DAM IMPROVEMENTS FROM THE BONNEVILLE POWER ADMINISTRATION (BPA) GRANT FUNDS AND A COMMITMENT TO PROVIDE THE REMAINING FUNDS.

WHEREAS, the Bonneville Power Administration (BPA) has invited applicants to apply for grant funding for fish and wildlife projects; and

WHEREAS, this BPA grant application will request an estimated \$500,000 to \$1,000,000 to be used for the design and construction of a fish screen across the Canal Intake and improving fish passage over the Diversion Dam; and

WHEREAS, these capital improvements are needed to comply with both the City's FERC License requirements, as well as other State and Federal environmental regulations; and

WHEREAS, this BPA grant application will reduce the total City's financial obligations for the estimated \$2,510,000 in capital improvements by \$500,000 to \$1,000,000 in potential grant awards.

NOW, THEREFORE, BE IT RESOLVED that the City of Albany approves and endorses the submittal of a grant application to BPA for the purpose of installing a fish screen and improving fish passage at the South Santiam River Diversion Dam.

DATED THIS 28TH DAY OF NOVEMBER 2001.

  
Council President

ATTEST:

  
City Recorder



TO: Albany City Council

VIA: Steve Bryant, City Manager  
Floyd W. Collins, Public Works Director *[Signature]*

FROM: Diane Taniguchi-Dennis, P.E., Assistant Public Works Director/City Engineer *[Signature]*  
Peter Harr, P.E., Civil Engineer II *[Signature]*  
Cheryl Hummon, Water Resources Program Coordinator *CH*

DATE: November 16, 2001, for November 28, 2001, City Council Meeting

SUBJECT: Grant Proposal to Bonneville Power Administration for (1) Fish Screen for Canal Intake and (2) Fish Passage Improvements on Lebanon Diversion Dam

Action Requested:

Request Council approval of the attached Resolution authorizing staff to submit a grant proposal for the above project.

Discussion:

The City of Albany operates and maintains two facilities on the South Santiam River, a diversion dam and water intake structure, which diverts river water into the Canal. The Canal conveys the river water to the City of Lebanon and the City of Albany to be treated for drinking water, as well as providing irrigation water to other users along the Canal. In the future, there is the potential to utilize additional water for hydroelectric power generation at Albany's existing Water Treatment Plant.

On the South Santiam River, there are two fish species, Winter Steelhead and Spring Chinook, which are listed as "threatened species" under the Endangered Species Act. The diversion dam and the intake structure need improvements to be made to ensure that the threatened species are protected from being impacted by the operation of these facilities.

Specifically, the existing Canal Intake must be screened to block the passage of fish into the Canal. The City's Federal Energy Regulatory Commission (FERC) license for hydroelectric power generation specifically requires the Canal Intake to be screened by adding an appropriately sized fish screen. In addition, the Diversion Dam's existing three (3) fish ladders need to be improved to meet fish passage requirements in accordance with Oregon Department of Fish and Wildlife (ODFW), the U.S. Fish and Wildlife Service (USFWS), and the NMFS. Similarly, the City's FERC license identifies specific capital improvements to the Diversion Dam to improve its fish passage efficiency. The attached adopted CIP describes these projects targeted for completion in FY 2003-04.

The Bonneville Power Administration (BPA) has invited applicants to submit grant proposals for fish and wildlife projects to be funded during the federal 2003-2005 fiscal years, as indicated in the attached Solicitation Letter of November 8, 2001. The funding is targeted towards projects that mitigate impacts on fish and improve habitat within the Columbia Basin of the Federal Hydroelectric Power System. Proposals are due December 12, 2001, followed by a review process with the announcement of funding recommendations anticipated in August 2002.

Staff proposes to apply for a grant to install a fish screen across the Canal Intake and to make fish ladder improvements at the Diversion Dam. The total project cost for this work is estimated to be

\$2,510,000, with \$1,700,000 allotted for the fish screen and \$810,000 for the diversion dam as shown on the attached pages for the adopted 2001-2006 Capital Improvement Program. The CIP budget will be reviewed and adjusted to meet BPA grant application requirements. The grant proposal will request approximately \$500,000 and \$1,000,000. The final amount will be determined based upon the preparation of the full grant proposal, project budget, and the BPA grant application criteria.

Budget Impact:

The total project cost is estimated at \$2,510,000. Approximately \$500,000 - \$1,000,000 of grant funding will be requested from BPA. The remaining funds of \$1,500,000 to \$2,500,000 will be the City's responsibility. The project, to correct existing deficiencies with the facilities to meet fish protection requirements, was planned to be funded from a combination of Water System Capital and a future water revenue bond. In addition, staff will explore the potential to utilize Oregon Economic and Community Development Department (OECD) grants and loans as another potential funding source for the project.

CH:kw

Attachments: BPA grant proposal solicitation letter (11/8/01)  
2001-2006 CIP for fish screen and diversion dam  
Resolution authorizing submittal of grant proposal to BPA



November 8, 2001

Dear Current or Potential Fish and Wildlife Project Sponsor:

We are writing to invite you to submit fish and wildlife project proposals to be considered for funding by the Bonneville Power Administration (Bonneville) during Fiscal Year (FY) 2003. Unlike prior years, this solicitation is limited in geographic scope to only the Lower Columbia Province. A description of this province (and others in the basin) is found at the Columbia Basin Fish and Wildlife Authority (CBFWA) website: <http://www.cbfga.org>.

Proposals for new projects outside of this province are not being accepted at this time. New projects will be solicited in those provinces over the next two years, as the "rolling" province review cycles through each of the eleven provinces in the basin.

In a change from previous years, the Northwest Power Planning Council (Council) will use this "rolling" province review process to recommend projects for up to a three-year period. The process includes review by the Independent Scientific Review Panel (ISRP) and others. Once new and ongoing projects in the Lower Columbia Province are recommended for FY 2002 through FY 2004 funding, they will not be reviewed by the ISRP again until the next funding cycle in 2005. The project proposal forms have been modified from previous years to facilitate the presentation of more detailed multi-year budgets, although the Council and Bonneville will likely seek annual updates of project budget estimates with funds added incrementally each fiscal year to contracts negotiated by Bonneville.

Guidance for proposals derives from a number of areas, and we highly recommend that proposers review closely the following sources. Proposed projects need to be consistent with the Columbia Basin Fish and Wildlife Program (Program) that has been adopted by the Council (see [www.nwppc.org/2000-19\\_toc.htm](http://www.nwppc.org/2000-19_toc.htm)). Sponsors are encouraged to note where, and how, their proposals may address Action Items set forth in the Reasonable and Prudent Alternatives (RPA) of the December 21, 2000 National Marine Fisheries Service Biological Opinion on operation of the Federal Columbia River Power System. For additional guidance, please see interim, H-specific criteria developed by BPA for identifying project priorities at the following link: <http://www.cbfga.org/files/province/cascade/Default.htm> .

Examples of RPA actions relevant to the Lower Columbia are: Habitat RPA Actions 149, 150, 151, 152, 153, and 154 and Research, Monitoring and Evaluation RPA Actions: 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 193, 194, 195, 196, 197, and 198. Project sponsors are encouraged to consider these RPA Actions when drafting proposals that address ESA-listed species for this province. A description of these RPA Actions can be found at the following link: [www.nwr.noaa.gov/1hydroweb/hydroweb/docs/Final/2000Biop.html](http://www.nwr.noaa.gov/1hydroweb/hydroweb/docs/Final/2000Biop.html). For further information, please refer to Chapter 9 of the Biological Opinion.

In addition, documents called “subbasin summaries” have been developed in the last few months for each of the major subbasins in the Lower Columbia Province <http://www.cbfwa.org/files/province/lwrcol/Default.htm>. These summaries are intended to provide a subbasin scale context for project proposals by describing existing plans and needs for project funding. These summaries also include presently available assessment and management information that should be taken into account in the development of proposals. In future years, the Council intends to adopt new subbasin plans, based upon updated technical assessments, into the program to provide clearer guidance for project prioritizing and recommending projects to Bonneville for funding.

There are four dates that project sponsors should pay particular attention to:

- 1) Proposal Due Date
- 2) Site Visit Opportunities
- 3) Project Presentations
- 4) Response to ISRP and Comment Period

A schedule of these important dates is attached for easy reference.

After proposals are received on December 12, 2001, they will be reviewed by the ISRP as well as CBFWA. As part of its review, the ISRP will hear oral presentations from project sponsors. Those presentations are scheduled for February 18-22 in Portland, Oregon. After the presentations are completed and the ISRP deliberates, it will provide an initial report to the Council, which will also be made available to the public. Project sponsors will have a limited opportunity to respond to the initial ISRP report (CBFWA will facilitate this effort for all project proponents), and the ISRP will issue a final report after considering the responses. Thereafter, the Council will make its funding recommendations to Bonneville. It is anticipated that the Council’s funding recommendations will be made in August of 2002.

Once Bonneville receives the recommendation from the Council and makes a decision to implement, a project management process will be initiated for the project. Please note that Bonneville has certain regulations it must meet prior to funding the project. All projects must undergo some form of National Environmental Policy Act analysis and clearance. In conjunction with this analysis, we will need to make sure that the project meets all applicable environmental regulations. These include such things as threatened and endangered species consultation, cultural resources clearance, public involvement, and Clean Water Act compliance. For purchases of land, appraisal review and hazardous substance audits will also be required. Some of these items may require funding for both your time and any consultant time that will be needed to fulfill these requirements. You should include these costs in your project cost estimate under the NEPA line item. They may also require additional lead time that

you should figure into your project schedule. If you have questions about what may be required for your proposed project, contact Nancy Weintraub at Bonneville, 503-230-5373, or e-mail, [nhweintraub@bpa.gov](mailto:nhweintraub@bpa.gov)

Monitor the Lower Columbia Province web page at: <http://www.cbfwf.org/files/province/lwrcol/Default.htm> for all updated information on schedules, reviews, subbasin summaries, etc., for this solicitation. **All solicitation materials will be distributed electronically.** If you do not have access to the internet, you can request hard copies by calling Cate Hanan, Bonneville, 503-230-5276.

#### **TO SUBMIT A PROPOSAL:**

**Download the project proposal forms and instructions** at: <http://www.cbfgwa.org/files/province/lwrcol/Default.htm> . A document called "Fiscal Year 2003 Project Review and Selection Guide" is also available at this site for additional help in explaining the review process. If you cannot download these materials, please request a diskette and paper copy of the guidelines from CBFWA, 503-229-0191.

**Completed forms are due no later than 5:00 p.m., PST, Wednesday December 12, 2001.** The two documents that make up the proposal form (Part 1 – Administrative and Budgeting, and Part 2 – Narrative) must be completely filled out. Failure to follow each specific step, or to meet the deadline may prevent your project from being considered during the FY 2003 recommendation process.

**E-mail completed forms and attachments to:** [cchanan@bpa.gov](mailto:cchanan@bpa.gov).

**Note:** BPA cannot receive electronic documents no larger than 5 megabytes. If you do not have access to e-mail, or have supporting material that cannot be submitted electronically, e.g., maps, reports, etc., please mail **at least two copies to:**

Bonneville Power Administration  
Attention: Cate Hanan -- KEWB-4  
FY 2003 Proposals  
905 N.E. 11<sup>th</sup> Avenue  
Portland, OR 97232

**Proposal Submission:** 1) We request that one designated contact submit the proposal it via e-mail, disk, or CD to prevent processing multiple copies of the same proposal and posting duplicate listings on the "List of Proposals Received" Webpage. When a proposal is submitted via e-mail please include the e-mail addresses of those who worked on the proposal in the "cc" category. This will ensure that all parties (within the same office or multiple agencies) will receive an email confirmation. 2) Likewise please have one person per proposal call Bonneville about the status of proposal and then be responsible for communicating back to the group. This will again, prevent the need to reiterate the same information to different people. 3) Please make sure that ALL fields for your proposal are filled in i.e., correct proposal number for on-going projects, subbasins etc. before submitting your proposal, to allow processing of proposals in a timely manner.

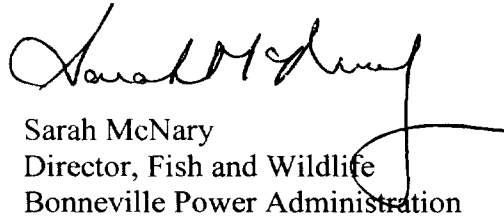
**For confirmation that your proposal was received**, check the log file on Bonneville's web site at <http://www.efw.bpa.gov/cgi-bin/FW/01FiveProvince.cgi>. This site will be updated as proposals are received and processed. You will receive e-mail notification when your proposal has been received and posted.

**Questions?** If you are submitting a project and are uncertain how to fill out the proposal form, please contact Erik Merrill at the Council, (503) 222-5161 or 1-800-452-5161; or by e-mail: [emerrill@nwppc.org](mailto:emerrill@nwppc.org). Several staff members from three agencies are involved in this review process, each with an area of expertise. Please refer to the contact list included at the end of the Project Review and Selection Guide for the best person to answer your question.

Sincerely,



Stephen Crow  
Executive Director  
Northwest Power Planning Council



Sarah McNary  
Director, Fish and Wildlife  
Bonneville Power Administration

Forms and guidelines available at  
<http://www.cbfwa.org/files/province/lwrcol/Default.htm>.

## Timeline for Project Peer Reviews - 2002

# Lower Columbia Province



### Rolling Provincial Review Schedule for the Lower Columbia Province

Date	Topic
Aug 22	1 <sup>st</sup> Province meeting in Portland, OR to provide overview of NWPPC Fish and Wildlife Program and organize development of subbasin summaries for the <b>Cowlitz, Kalama, Lewis, Sandy, Washougal, Willamette</b> , and <b>Columbia Lower</b> subbasins in the <b>Lower Columbia Province</b> and the Elochoman, Grays and Columbia Estuary subbasins in the Columbia River Estuary Province
Sept 18	2 <sup>nd</sup> Province meeting in Portland, OR to monitor progress of subbasin summaries and review goals, objectives, and strategies
Oct 19	Subbasin summaries due to CBFWA
Oct 26	CBFWA submits subbasin summaries to NWPPC
Nov 1	Solicit FY 2003-2005 project proposals for <b>Lower Columbia</b> and Columbia River Estuary Provinces ( <a href="#">sample form</a> )
Dec 12	Project proposals due to BPA
Dec 21	Project proposals distributed to ISRP and subbasin teams
Feb 18-22, 2002	3 <sup>rd</sup> Province meeting in Portland, OR for site visits and project presentations <ul style="list-style-type: none"> <li>• Feb 18-19 - Site visits</li> <li>• Feb 20-21 - Project presentations</li> <li>• Feb 22 - ISRP project review</li> </ul>
Mar 1	ISRP Preliminary report due
Mar 15	Response to ISRP report due (fix-it-loop)
Apr 8-12	CBFWA Subbasin Project Review Team Meeting
Apr 15 - May 10	CBFWA Review and work plan development
May 17	Final CBFWA Draft Province Work Plan due to NWPPC
Jun 7	ISRP provides second and final report taking into account public comments and CBFWA draft workplan
Aug	NWPPC recommendations to BPA

Questions? Contact Neil Ward ([neil@cbfwf.org](mailto:neil@cbfwf.org)), Frank Young ([frank@cbfwf.org](mailto:frank@cbfwf.org)) or Tom Iverson ([tiverson@cbfwf.org](mailto:tiverson@cbfwf.org)) at 503-229-0191.



## 2001-2006 CAPITAL IMPROVEMENT PROGRAM FOR THE WATER SYSTEM

### FISH SCREEN AT CANAL DIVERSION

#### PROJECT DESCRIPTION AND JUSTIFICATION

Design and construct a fish screening structure at the diversion point for the Santiam-Albany Canal on the South Santiam River. Domestic water for the City of Albany is provided by the Canal that runs from the South Santiam River east of Lebanon to Albany. The Canal also provides domestic water for the City of Lebanon, and irrigation for various users along the length of the Canal. The Canal does not currently have a fish screen at the point of diversion. This creates a potential for juvenile fish to become lost if they enter the Canal from the river.

Screening the Canal is a high priority for the fisheries' agencies. These costs are based upon an estimated maximum withdrawal of 310 cubic feet per second, which includes 190 cubic feet per second for hydroelectric power generation. A federal license application has been issued by the Federal Energy Regulatory Commission to generate hydroelectric power from the Santiam-Albany Canal. If a decision is made not to include the hydroelectric improvements, a fish screen structure will be required, although the construction time frame may change. Without hydroelectric improvements, the design flow characteristics and water volumes through the screen will be adjusted accordingly.

#### IMPACT ON OPERATING BUDGET

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FY PROJECT COSTS (\$)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	TOTALS
Construction Cost Estimate	-	643,000	791,000	-	-	1,434,000
Engineering & Administration	50,000	97,000	119,000	-	-	266,000
<b>Total Expenditures</b>	50,000	740,000	910,000	-	-	1,700,000
FUNDING SOURCES						
11-498 Water Imprvment Fee Projects	-	-	-	-	-	-
11-499 Wtr Reimbursmnt Fee Projects	-	-	-	-	-	-
11-940 Water Capital: Canal	-	-	-	-	-	50,000
11-941 Water System Capital Projects	50,000	-	-	-	-	-
11-942 Water Economic Development	-	-	-	-	-	1,650,000
Wbond Water Revenue Bond	-	740,000	910,000	-	-	-
	-	-	-	-	-	-
	<b>TOTAL PROJECT COST</b>					<b>\$ 1,700,000</b>

