MP-200 PRJ-4.00

California Bay-Delta Authority Ecosystem Restoration Program Selection Panel 650 Capitol Mall, 5th Floor Sacramento, CA 95814

Subject: Recommendation to Continue for Consideration Proposal Number 223DA - Selection Panel Review of Technical Review Panel Report, Battle Creek Salmon and Steelhead Restoration Project, September 2003

Dear Selection Panel:

As background, the Selection Panel's recommendation indicates concurrence with the technical review panel's comments, and asks that the project managers respond to the Selection Panel by letter identifying how the project managers expect to modify project designs, planning and environmental documents, and implementation to address the technical review comments. As part of this recommendation, the Selection Panel also expects the managers to address issues concerning Restoration Project design and implementation that develop as part of the Science Workshop on Coleman National Fish Hatchery (CNFH) operations.

In January 2004, the Battle Creek Salmon and Steelhead Restoration Project (Restoration Project) Project Management Team (PMT) and Adaptive Management Policy and Technical Teams (AMPT & AMTT) prepared an Initial Response to the September 2003 Technical Review Panel (TRP) Report. Subsequently, members of the TRP met with the PMT, AMPT, AMTT, stakeholders and interested parties to discuss the Initial Response, and then prepared comments to the Initial Response in March 2004. The PMT, AMPT and AMTT prepared a Final Response to the March Technical Review Panel comments on the January 2004 Initial Response to the September 2003 Technical Review Panel Report in May 2004. As noted in the May 2004 Final Response, the Restoration Project Draft Adaptive Management Plan (AMP) (dated April 2004) is located on the California Bay Delta Authority (CBDA) website (under Battle Creek) - http://calwater.ca.gov/Programs/EcosystemRestoration/Ecosystem.shtml.

The January 2003 Initial Response, the May 2004 Final Response, and the April 2004 Draft AMP contain responses to the TRP comments, including how project designs and environmental documents will be modified. The Draft AMP has been substantially revised with assistance from the CALFED Science Program.

Issues brought forth during the October 2003 CNFH Science Workshop and the subsequent January 2004 Science Review Panel (SRP) Report have been incorporated into the January 2004 Initial and May 2004 Final Response to the TRP Report. The Restoration Project April 2004 Draft AMP and the April 2004 Restoration Project Action Specific Implementation Plan (ASIP), also located on the CBDA website (under Battle Creek) -

http://calwater.ca.gov/Programs/EcosystemRestoration/Ecosystem.shtml reflect changes pursuant to the TRP Report and the January 2004 CNFH SRP Report, including concerns about the re-introduction of winter-run Chinook salmon. In addition, the May 2004 Ecosystem Restoration Proposal Solicitation Package (PSP), requesting supplemental funding to complete the Restoration Project, includes related action proposals for the "Development of a Coleman National Fish Hatchery Adaptive Management Plan (CNFH AMP)", and "CNFH AMP Diagnostic Studies" to accomplish coordination between habitat restoration and hatchery efforts.

Based on a TRP comment that consideration needs to be given to a project alternative with more complete decommissioning, an eight dam removal scenario was explored and compared to the Restoration Project Proposed Action (five dam removal alternative). A public workshop was held on March 15, 2004, to discuss information regarding the economics (replacement power costs), habitat benefits, and process/schedule impacts of an eight dam removal scenario verses the proposed action. Subsequently, an April 2004 Report entitled, "Further Biological Analysis for Information Presented on March 15 (2004) Regarding the Differences between the 5 dam Removal Alternative and the 8 Dam Removal Scenario" was developed. For the following reasons, the eight dam removal scenario will not be pursued further as a project alternative; however, information developed will be disclosed in the Restoration Project Environmental Impact Statement/Environmental Impact Report.

- Reclamation, the California Department of Fish and Game, U.S. Fish and Wildlife Service, and National Marine Fisheries Service concluded that there is no significant difference in the amount of habitat improvement associated with the eight dam removal scenario when compared to the five dam removal alternative;
- Reclamation estimated that examination of an eight dam removal scenario could delay restoration in Battle Creek for up to three years;
- Pacific Gas and Electric Company (PG&E) in an April 6, 2004, letter, concluded that an additional 20 percent of the current power output of the Battle Creek Hydroelectric Project would be lost due to the removal of three additional dams (under the eight dam removal scenario). Due to the lack of benchmarking contracts, there is considerable uncertainty regarding accurate forecasting of the potential cost of this additional 20 percent of replacement power. Given the additional replacement power costs and future project viability uncertainties, PG&E concluded further consideration of the eight dam removal scenario is not necessary; and
- The eight dam removal scenario does not satisfy all of the Solution Principles outlined in the CALFED Record of Decision.

The January 2004 Initial Response and May 2004 Final Response to the September 2003 Technical Review Panel Report, the April 2004 Draft AMP, eight dam removal scenario information, including the March 15 public meeting notes, and the report entitled "Further Biological Analysis for Information Presented on March 15 Regarding the Differences between

the 5 Dam Removal Alternative and the 8 Dam Removal Scenario", and the May 2004 Ecosystem Restoration Proposal Solicitation Package (PSP) have been conveyed to Ms. Rebecca Fris with the CBDA Ecosystem Restoration Program, and the April 6, 2004, PG&E letter has been sent to Mr. Patrick Wright, Director of the CBDA.

If you have any questions, please contact Ms. Mary Marshall, the Restoration Project Manager, at 916-978-5248.

Sincerely,

David W. Gore Regional Engineer

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