

Project Name	SA Article 3: Cowlitz Restoration and Recovery Fund CRR Implementation Strategy: 2024 Update
Date Proposal Summited	11/7/2023
Date of Requested Decision	12/5/2023
Requested By	Melora Shelton
Date of Decision¹	12/5/2023

¹ Decision will become final if committee members who were not present at this meeting do not oppose this proposed decision within 7 days

FTC Decision and Justification
<p>Tacoma Power consulted with the FTC and will adopt the 2024 update to the Cowlitz Restoration and Recovery (CRR) Implementation Strategy.</p> <p>The following FTC members were present at the FTC meeting: Tacoma Power (Travis Nelson), Bryce Glaser (WDFW), Chad Brown (Ecology), and Jonathan Stumpf (TU), and Yakama Indian Tribe (Bill Sharp). This Decision document will be circulated to FTC members not present and become final on 12/12/2023 if no objections are received.</p>

Proposed Decision for Consideration
<p>Tacoma Power proposes adopting the 2024 update to the Cowlitz Restoration and Recovery (CRR) Implementation Strategy (see attachment), replacing the update adopted in 2023.</p>

Background
<p>The FTC approved the original CRR Implementation Strategy (2017 Strategy) in May 2017 (DD 2017-06). As described in that decision document, <i>“This document [CRR Strategy] provides a comprehensive strategy for utilizing the CRR funds to conduct habitat restoration projects that will benefit the recovery of listed species destined for the Cowlitz Basin upstream of the barrier dam.”</i> The 2017 Strategy provided general CRR program information and was largely focused on habitat restoration. It included the original approach to integrate habitat proposals into the Lower Columbia Fish Recovery Board (LCFRB) salmon recovery grant round. It acknowledged that Article 5 of the Settlement Agreement included general guidance for the potential to expend CRR funds on hatchery production and included initial guidance that would later be expanded in the Hatchery-Associated Production (HAP) Guiding Principles. The FTC has approved two Implementation Strategy updates to date. The 2021 Strategy specifically incorporated CRR habitat proposals into the 2022 LCFRB salmon recovery grant round while making as few changes as possible (DD 2021-08). The 2023 Strategy reflected a comprehensive update, including incorporating updated HAP Guiding Principles and document reorganization (DD 2022-09).</p> <p>Strategy updates for 2024 were identified following the 2023 grant round and based on implementation to date. Proposed updates include:</p>

- Moving away from projects requiring land acquisition
- Clarifications on habitat assessment need and process
- HAP geography exception (align with DD 2023-03 for HAP materials)
- Additional eligibility information to better align with the LCFRB and statewide salmon recovery programs

Proposed updates were introduced by Steve Manlow and Melora Shelton at the 10/3 FTC meeting and were distributed to the FTC for 30-day review on 10/20. WDFW responded in an 11/20 email that “[They] do not have any suggested changes at this time. [They] view this as a living document and future grant rounds may highlight the need for additional changes.”

Coordination Need

The 2024 update to the Implementation Strategy will need to be made available to potential project proponents and others, replacing previous versions. Tacoma Power and LCFRB CRR websites will be updated.

The Implementation Strategy will be updated as needed, but not necessarily annually. For each project type, detailed guidance consistent with and building upon the Implementation Strategy will be provided in manuals and other supporting information. Those documents will be updated each time a grant round is implemented. Grant rounds for both project types are anticipated in 2024.

Summary of Potential Changes

The 2024 update to the CRR Implementation Strategy will replace previous versions of the CRR Implementation Strategy. These changes will update some program guidance and funding eligibility for the 2024 grant round.

**Cowlitz Restoration and Recovery (CRR) Fund
Implementation Strategy, 2024 Update
11/28/2023**

1. Introduction

The Cowlitz Restoration and Recovery (CRR) Fund Implementation Strategy (Strategy) expands on the guiding principles of the 2014 Cowlitz Restoration and Recovery Fund Implementation Plan (Implementation Plan)¹. The Implementation Plan established that the Cowlitz Fisheries Technical Committee (FTC) would develop a system to solicit for and evaluate resource projects to be funded through the CRR Program. The Implementation Strategy documents the FTC decisions and priorities to be incorporated into that system to support the protection and restoration of listed salmonid populations in the Cowlitz River Basin upstream of Barrier Dam. The original Strategy was completed in 2017. An interim update in 2021 addressed the habitat grant round partnership with the Lower Columbia Fish Recovery Board (LCFRB). This update incorporates both the habitat projects (with the LCFRB) and hatchery-associated production (HAP) projects into the CRR grant round.

Purpose and Goals:

The purpose of the CRR Program is to protect and promote the restoration and recovery of upper Cowlitz River basin salmon populations listed under the Endangered Species Act (ESA). The purpose of this Strategy is to provide additional information on implementation of the CRR Program, including administrative (fund) and the approach for the solicitation and evaluation of potential projects (i.e., proposals) to be funded through the Program. The goal of the Strategy is to identify and fund activities that will support:

- Achieving recovery targets set forth in the Washington Lower Columbia Salmon Recovery and Fish & Wildlife Subbasin Plan (Recovery Plan)².
- Achieving habitat impact reduction targets set forth in the Recovery Plan and presented in Table 1 below.
- Building momentum for habitat restoration and population recovery actions by implementing visible projects that display a tangible benefit to listed salmon and steelhead populations and the habitat they depend on.

The Recovery Plan includes an assessment of baseline population viability at the time of listing and sets goals for improvement in population viability targets necessary to achieve minimum viability status. The Recovery Plan also identifies how different

¹ CRR Implementation Plan (1/7/14)

² Lower Columbia Salmon Recovery and Fish & Wildlife Subbasin Plan (May 2010)

threats (i.e., Habitat, Dams, Fisheries, Hatcheries and Ecological Interactions) impact the productivity and viability of each ESA-listed population in the lower Columbia River system. Additionally, the Recovery Plan sets targets for each population to reduce the impact of each threat to assist in achieving its minimum viability goal.

Table 1 includes information from the Recovery Plan that is specific to all Upper Cowlitz basin salmon and steelhead populations. Fall Chinook originating from the Upper Cowlitz, Cispus, and Tilton Rivers are considered a single ESA-listed population. For spring Chinook, coho, and steelhead, each species has three designated populations: Upper Cowlitz, Cispus, and Tilton. Table 1 presents the baseline viability assessment and minimum viability goal (Recovery Objective) plus information regarding impacts from the Habitat threat: 1) baseline impacts at time of listing, 2) reduction in impacts set forth by the Recovery Plan (Target Reduction), and 3) outcome of reduction that would allow the population to achieve minimum viability (Recovery Objective) for each population.

Table 1. Summary of population viability and impacts from the habitat threat for all populations in the Cowlitz basin upstream of Barrier Dam. Includes information regarding estimated status at time of initial listings (1998) and Lower Columbia Recovery Plan targets to assist in achieving minimum viability status. Targets for reducing habitat threats are based on desired population productivity improvements associated with improving manageable stream habitat conditions. Stream habitat target reductions are determined in balance with the five other manageable impact factors (estuary/mainstem habitat, hydropower, harvest, hatcheries, and predation).

Basin	Population Designation		Population Viability**		Impacts from Habitat Threat		
			Baseline*	Recovery Objective	Baseline*	Target Reduction	Recovery Objective
Upper Cowlitz	Spring Chinook	Primary	Very Low	High+	0.90	50%	0.45
	Winter Steelhead	Primary	Very Low	High	0.40	50%	0.20
	Coho	Primary	Very Low	High	0.40	50%	0.20
Cispus	Spring Chinook	Primary	Very Low	High+	0.90	50%	0.45
	Winter Steelhead	Primary	Very Low	High	0.60	50%	0.30
	Coho	Primary	Very Low	High	0.50	50%	0.25
Tilton	Spring Chinook	Stabilizing	Very Low	Very Low	0.80	0%	0.80
	Winter Steelhead	Contributing	Very Low	Low	0.90	50%	0.45
	Coho	Stabilizing	Very Low	Very Low	0.95	0%	0.95
Upper Cowlitz***	Fall Chinook	Stabilizing	Very Low	Very Low	0.80	0%	0.80

* Conditions in 1998 prior to federal ESA listings of lower Columbia steelhead, Chinook and chum salmon

** Viability categories defined by National Marine Fisheries Service as described in Recovery Plan (Section 4.2.1)

*** Includes Tilton, Cispus and Upper Cowlitz basins

Source: Washington Lower Columbia Salmon Recovery and Fish & Wildlife Subbasin Plan

Overview:

The CRR fund is intended to support activities that will protect and promote recovery of listed species *in lieu* of construction and operation of volitional upstream passage facilities on the Upper Cowlitz River. Article 3 of the Cowlitz River Hydroelectric Project

Settlement Agreement (Settlement Agreement) calls for the expenditure of the CRR Fund if it is determined that:

“...expenditure of the escrow account on such additional measures in lieu of volitional upstream facilities is necessary and appropriate to achieve natural stock restoration, consistent with the express purpose of the license and the Settlement Agreement, and with applicable recovery plans for the listed Cowlitz River stocks...”

Consistent with Project License Article 3, Tacoma Power established an account in the amount of \$15 million (plus annual interest) in July 2008 known as the Cowlitz Restoration and Recovery Fund (CRR Fund) to be used to promote restoration and facilitate recovery of Upper Cowlitz River basin salmonid populations listed under ESA. The intent of this program and funding source is to support actions not otherwise covered by specific resource protection, mitigation, and enhancement (PME) measures identified in the Cowlitz Hydroelectric Project License, Settlement Agreement, or the Biological Opinion (BiOp).

In keeping with the direction provided by Article 3 of the Settlement Agreement and the CRR Implementation Plan, the CRR Fund will be used to support the following activities:

- Conduct a Habitat Assessment (see Habitat Assessment section, below) to guide protection and restoration activities.
- Implement on-the-ground projects³, or activities that lead to on-the-ground projects, aimed at protection or restoration of habitat for priority species within the geographic focus areas.
- Implement on-the-ground hatchery-associated production projects, or activities that lead to on-the-ground projects, aimed at reintroduction and recovery of priority species within the geographic focus areas (see Hatchery-Associated Production section, below).

By focusing use of the CRR Funds on habitat protection and restoration projects in combination with other fishery-related activities (e.g. reintroduction efforts, hatchery and harvest reform actions), the benefits to the recovery of listed populations will increase. Use of the CRR Fund for other fishery-related activities will only be considered if that activity results in a direct benefit to the protection or recovery of listed populations originating upstream of Barrier Dam.

Habitat Assessment:

Habitat assessments have been conducted to inform high priority restoration or protection projects. As planned, these assessments have largely focused on the Upper

³ The CRR Implementation Plan (2014) included land acquisition as resource project category for habitat protection and restoration. Due to the administrative complexities of supporting land acquisition, all projects that require land acquisition or lease are not currently eligible for CRR Funding. Habitat projects in this category will be directed toward other funding sources that can support land acquisition.

Cowlitz and Cispus watersheds above Cowlitz Falls Dam and on spring Chinook priority life history stages, with the understanding that projects addressing spring Chinook limiting factors will likely benefit other species. The Upper Cowlitz and Cispus (UCC) Habitat Strategy⁴, which builds upon the Recovery Plan⁵, was completed in 2019 by the LCFRB in partnership with Tacoma Power and other stakeholders. It was in part supported by the CRR fund. The UCC Habitat Strategy describes physical and habitat characteristics of the Upper Cowlitz and Cispus watersheds in the context of salmon recovery, and provides a strategy for restoration and protection of aquatic habitat and associated ecological processes. It is primarily focused on the restoring valley floodplain function and stream habitat diversity. It identifies strategic objectives by landscape unit, habitat actions to address them, and also action priority areas. Hydraulic modeling of the Randle to Packwood reach of the Upper Cowlitz River⁶, and a geomorphic assessment of much of the Upper Cowlitz and Cispus Rivers⁷ also have been completed. These assessments were in process and considered during the development of the UCC Habitat Strategy. Previous habitat review includes the upper Cowlitz (e.g. Upper Cowlitz River Basin Reach Characterization Project – Identifying Reaches Suitable for Protection⁸).

The UCC Habitat Strategy provides a fully vetted technical foundation to support project identification and development. Additional assessments will therefore not be funded in the Upper Cowlitz and Cispus watersheds. However, the UCC Habitat Strategy did not address the Tilton River watershed. Additional habitat assessments may be proposed by the FTC, Tacoma Power, and/or the LCFRB for that watershed.

Hatchery-Associated Production:

Hatchery-associated production (HAP) projects are projects that include the artificial production or rearing of salmonids. The Settlement Agreement identifies hatchery production as an appropriate use of the CRR Fund. Article 3 of the Settlement Agreement provides for the expenditure of funds from the escrow account that serves as the CRR Fund (see Overview section). Article 5 of the Settlement Agreement provides general guidance regarding the expenditure of the CRR Fund on hatchery production:

⁴ Upper Cowlitz and Cispus Habitat Strategy: Upper Cowlitz and Cispus Rivers, Washington. Prepared for Lower Columbia River Fish Recovery Board by Inter-Fluve, Cramer Fish Sciences, and Lower Columbia Fish Recovery in collaboration with the Upper Cowlitz Cispus Work Group. December 2019.

⁵ Washington Lower Columbia Salmon Recovery and Fish & Wildlife Subbasin Plan, Volume II.F – Upper Cowlitz Subbasin (Potential change in populations performance with degradation and restoration ladder diagrams

⁶ Cowlitz Restoration and Recovery Habitat Assessment: Hydrodynamic Modeling and Habitat Suitability Assessment, Final Report. Prepared by Anchor QEA for Tacoma Power. March 2020.

⁷ Preliminary Geomorphic Assessment Memo: Cowlitz River Geomorphic Assessment. Prepared for Tacoma Power by Natural Systems Design. February 2019

⁸ Upper Cowlitz River Basin Reach Characterization Project – Identify River Reaches Suitable for Protection. Prepared for Tacoma Power by Cardno Entrix. April 2014.

“...unless a decision has been made pursuant to Article 3 to not construct volitional upstream passage during the remaining term of the license, at which time hatchery production may be considered as part of the plan to expend the funds in the escrow account for the purposes of protection and promoting recovery of listed stocks...”

In addition to creation the CRR Fund (escrow account), Article 3 of the Settlement Agreement clearly states that expenditures must benefit natural recovery of listed stocks. Article 5 further states that expenditures need to be consistent with protection and recovery goals of listed stocks. Consistent with the direction provided by the Settlement Agreement, any expenditures of the CRR fund for HAP projects must achieve the purpose of protection and facilitate recovery of listed populations originating in the Cowlitz basin upstream of Barrier Dam.

2. CRR Fund

Fund Structure:

This Implementation Strategy focuses on implementing projects that benefit listed salmon and steelhead originating upstream of Barrier Dam. Potential projects may include habitat actions or relate to fishery activities (i.e., HAP projects). Partnerships and cost sharing opportunities will be pursued at the project level. As other entities observe visible projects that displace a tangible benefit to listed salmon and steelhead populations being implemented, it is expected that interest in these recovery activities will increase.

In the future, there may be opportunities to expand partnerships and cost sharing agreements beyond the project level to a program scale. Currently there is a lack of partnerships in the basin. Existing funding sources available to support habitat protection and restoration activities are focused broadly across the lower Columbia region and limited funds are available to invest specifically in the Cowlitz basin upstream of Barrier Dam. Over time, possibilities of implementing a program that leverages funds from a variety of sources may be investigated to maximize the benefit of investments provided through the CRR Fund.

This Implementation Strategy provides criteria and priorities for projects with respect to location and target populations (see 3. Program Criteria and Priorities). Allocation of the CRR Fund between different project categories will be determined by the FTC within the granting cycle. During this initial phase of the Implementation Strategy, the CRR Fund will be made available to implement projects that directly benefit salmon and steelhead recovery as described above. Broad support for this Implementation Strategy is expected to grow and future allocations between project categories or activities may be necessary as increased partnerships are developed.

Funding Cycle:

The CRR Fund resides in a sole-purpose account within the City Treasurer's Tacoma Investment Pool, which functions similarly to an escrow account. The Tacoma Public Utility Board (PUB) approved the authorization to establish the CRR Program with the expectation that requests for funding would be up to \$3,000,000 per biennium. Tacoma Power may request additional funds from the PUB through separate resolution for extraordinary opportunity or unique project circumstances. The FTC will review the fund status, current year expenditures, and forecast expenditures for the upcoming year (based existing agreements and approved proposals) in the annual report to FERC. All CRR account funds will be expended by the end of the License period in 2037.

The model of allocating funds on a biennial cycle allows for a call for proposals, review and ranking of proposals, and funding decisions to be made every two years. Tacoma Power and the FTC prefer to retain flexibility in the process, and exceptions may be allowed (see section 4). By consensus, the FTC may elect to award the entire biennial budget in the first year, retain a portion of the allocated funds for award in the second year of the cycle, make funds not awarded in the first year available in the second year, or not fund any proposed projects based upon the quality and fit of projects to meet CRR Fund implementation goals. Retaining flexibility will also include early review of the award process by the FTC to evaluate effectiveness in achieving CRR Fund goals and objectives and assess the need to change the award process. While the PUB resolution establishing the CRR Program limits the default biennial funding threshold to \$3,000,000, there is flexibility to request additional funds. At this time, no funding thresholds have been identified to limit the amount awarded to a specific project category (e.g., habitat restoration or HAP projects), or to limit the amount awarded to an individual project. In addition, funding agreements may span multiple years, typically three years with a maximum of five years. Extensions and amendments for unforeseen circumstances may be possible if approved by the FTC.

3. Program Criteria and Priorities

Geography and Populations:

The geographic boundary of the CRR Program consists of the Cowlitz River basin upstream of the mouth of the Toutle River. This includes the main stem Cowlitz River, tributary confluences below Mayfield Dam, and the entire basin upstream of Mayfield Dam. Funded projects must be located within this area. There may be exceptions for HAP projects that are consistent with the purpose of the Program and include production activities outside of the geographic area boundary (e.g., in the lower basin but physically removed from the mainstem).

The Implementation Plan identifies priorities for resource projects that will support the restoration and recovery of Cowlitz listed salmonid populations originating in the upper basin, upstream of Barrier Dam. Spring Chinook are further prioritized over other species because of their importance to recovery. Recovery of the Lower Columbia

Chinook Evolutionarily Significant Unit (ESU) requires that Upper Cowlitz and Cispus spring Chinook achieve Recovery Plan population viability goals. The Upper Cowlitz and Cispus watersheds are prioritized over other parts of the Cowlitz subbasin based on the 2010 Recovery Plan population viability recovery objectives for Upper Cowlitz and Cispus populations. The Upper Cowlitz subbasin (including the Cispus River), Tilton subbasin, and lower Cowlitz subbasin are illustrated in Figure 1.

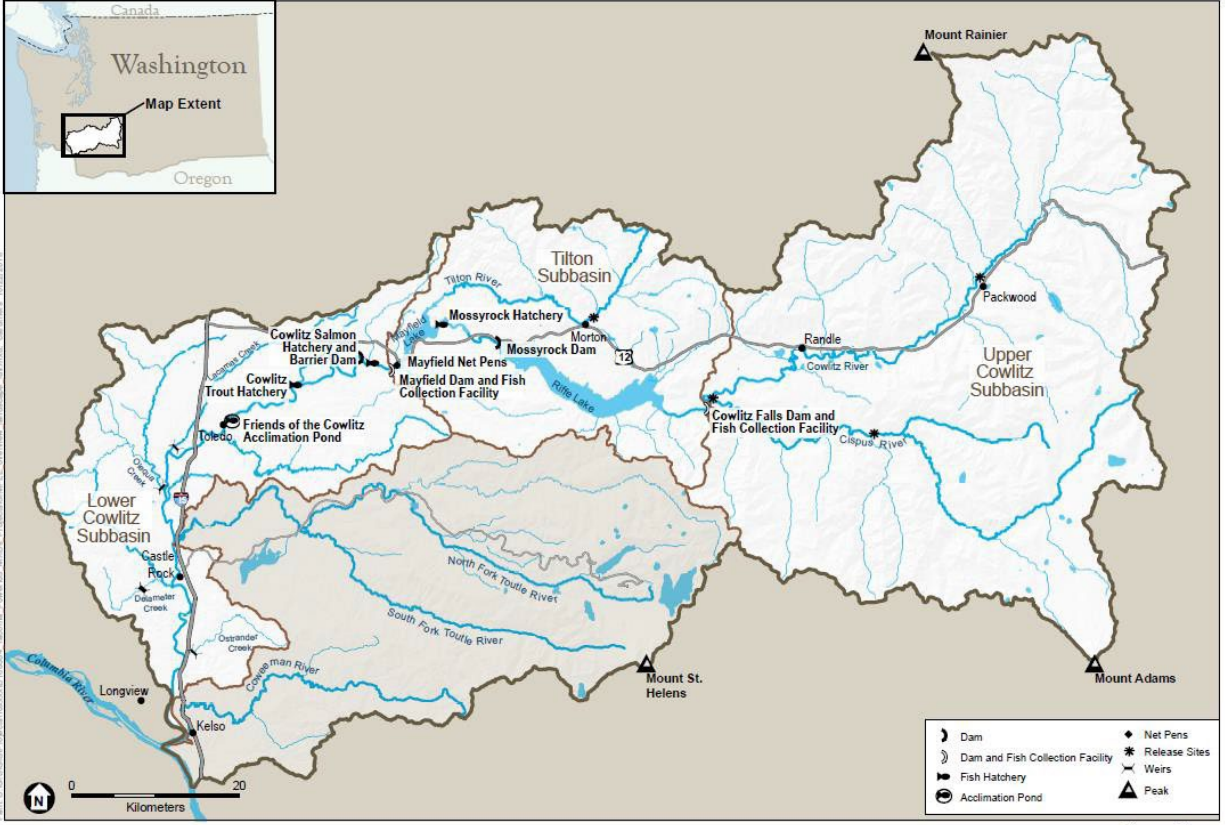
By combining the species prioritization and the geographic boundaries, the CRR Program project priorities are listed in ranked order as follows.

Projects benefiting:

- Upper Cowlitz subbasin Spring Chinook
- Upper Cowlitz subbasin Steelhead and Coho
- Tilton salmon and steelhead (listed populations) and Upper Cowlitz Fall Chinook (distribution currently limited to the Tilton River)

While this Implementation Strategy prioritizes activities focusing on spring Chinook in the Upper Cowlitz subbasin, it does not exclude activities occurring in other geographic locations (e.g. Tilton River) as long as proposed activities also benefit other listed species (e.g. coho and winter steelhead) originating upstream of Mayfield Dam.

Proposed habitat activities downstream of the Barrier Dam or HAP projects targeting other populations will be evaluated based on their benefits to populations originating upstream of Mayfield and Cowlitz Falls dams. The initial prioritization presented above may be re-evaluated upon completion of a habitat assessment and/or changes in the Recovery Plan.



SOURCE: SWIFD, 2014; WDNR, 2017 Tacoma Power

Figure 1. Cowlitz River Subbasins

Additional Eligibility Information:

Any conservation group registered as a non-profit, Native American Tribe, Regional Fisheries Enhancement Group, Conservation District, or other local, state, or federal governmental entity, including Tacoma Power, may propose a CRR project. Public works entities may propose habitat or HAP projects that meet the criteria and priorities listed in this strategy. Private landowners are allowed to propose restoration or HAP projects on their own property. Proposals will be considered as long as they are consistent with the solicitation process and meet the criteria and priorities listed in this Implementation Strategy.

Riparian projects must include actions to ensure plantings are successfully established and maintained in accordance with the project plans and contractual requirements. To ensure success of riparian habitat projects over the long-term, applicants may propose riparian stewardship for previously installed riparian habitat sites, provided all prior contractual obligations have been met. Sites may be previously funded CRR projects or other similar riparian habitat planting sites. Eligible activities in stewardship projects may include managing invasive species, replacing unsuccessful plantings, supplementing the site with water, or installing fences or other browse-protection methods.

Some projects or elements of projects are ineligible as match or for reimbursement. Activities that are ineligible for reimbursement or match include:

- Acquisition of property or easements.
- Mitigation projects, activities, or funds.
- Monitoring and maintenance as stand-alone projects, with the exception of riparian stewardship as described above.
- Monitoring for project performance, effectiveness, or validation monitoring.
- Effectiveness monitoring costs associated with a project, including purchase of equipment to monitor a restoration or acquisition project.
- Construction of buildings or indoor facilities (habitat projects only).
- Capital facilities, public works projects, projects with a primary purpose of flood mitigation, and infrastructure elements, such as sewage treatment facilities, surface and storm water management systems, flood management structures, and water supply systems.
- Converting from septic to sewage treatment systems.
- Operation or construction of fish hatcheries (habitat projects only).
- Operation of hydropower facilities.
- Fish harvest and harvest management activities.
- Fishing license buy-back.
- Lobbying or legislative activities.
- Costs to prepare or apply for a grant (or other grant funding).
- Habitat projects that do not address an important habitat condition or watershed process, or that focus mainly on supplying a secondary need.
- Planning projects intended only for research purposes, stand-alone monitoring, or general knowledge and understanding of watershed conditions and functions.
- Habitat evaluation activities or tasks that do not directly support design or implementation of a concurrent project.

It is the sole responsibility of resource project sponsors to comply with all applicable local, state and federal laws, policies and regulatory requirements. Indirect costs are eligible for CRR funding and will be evaluated as a part of the overall proposal cost. Project eligibility criteria, application instructions, review and raking criteria, and contracting roles and responsibilities of the grantor and the grantee will be further

defined in CRR application manuals for habitat restoration, acquisition, and hatchery-associated projects. These manuals will be drafted and updated annually by LCFRB and Tacoma Power in coordination with the FTC.

Matching Fund Requirements:

While proponents are encouraged to show matching or leveraged funds in their budget proposals to the CRR Fund program, a specific match amount will not be required.

Tacoma Power and the FTC, in coordination with the LCFRB for habitat proposals, will incentivize leverage of CRR funds through the proposal scoring process. Project proposals should show total projects costs alongside the CRR funding request as well as the amount and status of other matching funds to facilitate FTC review and lend a whole-project perspective of the proposed project scope and budget.

Monitoring:

CRR Fund recipients will be required to monitor project implementation to ensure projects are completed as proposed. Project proponents will be required to report on the project implementation process and status as part of contract administration by providing as-built documentation and final reporting on project accomplishments and metrics. Tacoma Power and the FTC will complete final project inspections prior to final payment and contract close out.

CRR funds are not available for project performance, effectiveness, or validation monitoring. Fund recipients are encouraged to monitor projects as they are able. If monitoring activities are completed using other funding sources, Tacoma Power requests copies of monitoring reports. Tacoma Power reserves the right, using their own funds, to evaluate CRR projects for performance, effectiveness, and validation metrics and fund recipients shall make reasonable accommodation to provide Tacoma Power staff access to project sites following implementation.

4. Proposal Evaluation

All proposals for CRR funds go through three phases (Figure 2). The processes are similar for habitat and HAP projects and are run by the LCFRB or Tacoma Power respectively. Applicants first develop ideas, with support available from program staff and advisors. Then they complete draft applications describing their proposals and submit them for initial review. The draft review stage can provide applicants with input on their proposal approach as well as their application content. This is an opportunity for technical advisors to request information or suggest changes to improve the final application. It is a required step for both processes. Applicants incorporate the input and feedback received during review into final applications that are reviewed and ranked by the LCFRB or the FTC's HAP subcommittee, depending on the program. The FTC considers all recommendations and makes funding recommendations for both project types at the same time.

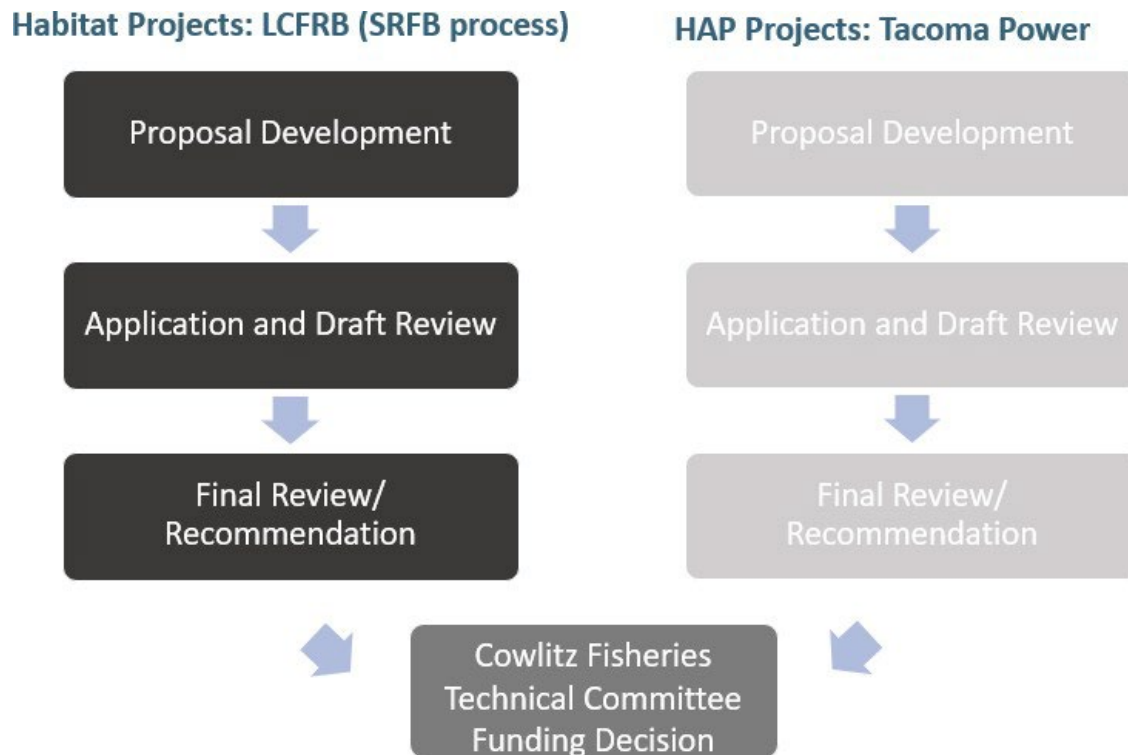


Figure 2. Parallel grant round processes leading to FTC funding decision

Habitat Proposal Review Process:

The FTC has committed to a stepwise rigorous and peer reviewed process to ensure that the best available science is used to select habitat acquisition and restoration projects funded through the CRR Implementation Strategy that provide recovery benefits for listed salmon and steelhead originating from the Cowlitz basin upstream of Barrier Dam.

The FTC has developed a partnership with the LCFRB to assist in the proposal review process. A request for project proposals consistent with the goals and priorities of the CRR Fund Implementation Plan will be released concurrently with the LCFRB’s regular funding round for Salmon Recovery Funding Board (SRFB) projects. Review of project proposals competing for CRR Funds will be nested within the larger funding review process for the LCFRB Lead Entity.

The LCFRB will utilize their Technical Advisory Committee (TAC) and Board to provide an initial review of projects, using their standard scoring, ranking, and review process during the SRFB grant round. The LCFRB will then use additional criteria agreed to by the FTC to ensure projects considered for CRR Funds will meet the geographic and species specific goals of the program. These criteria include priority for actions identified through or aligned with CRR habitat assessment, where applicable. The LCFRB will present the FTC with a ranked list of projects recommended for funding in a given year.

Tacoma Power and the LCFRB have entered into an interagency agreement formalizing the agreement for the LCFRB to provide technical review of CRR habitat proposals. The ranking criteria, proposal review, and funding process are described in further detail in CRR grant round application manuals, prepared by the LCFRB, designed to guide applicants through the process. The interagency agreement also describes agreement for the LCFRB to manage CRR habitat grants starting with the 2021 grant round. The grants management process are described in further detail in CRR grants manuals, prepared by the LCFRB. These manuals are updated prior to each grant round.

The LCFRB provides proposal technical review and a funding recommendation (ranked list) to the FTC. The LCFRB will update the FTC on progress throughout the grant round progress. This will include at least the number of types of projects that are seeking CRR funding, specific project information, and any feedback or recommendations made by the TAC, LCFRB staff, or SRFB representatives. During the draft review stage, the FTC will have the opportunity to hear from project applicants during, ask clarifying questions, and provide feedback as a body through the LCFRB.

HAP Proposal Review Process:

The FTC has committed to a similar review process to select HAP projects for funding. It puts Tacoma Power in the role of program administration and a group of technical advisors guiding the program and providing technical review of HAP proposals. The technical advisors are the HAP subcommittee of the FTC.

Evaluation of hatchery-related fish enhancement projects for CRR Funds will depend upon how proposed efforts will protect and promote recovery of listed populations originating in the Cowlitz basin upstream of Barrier Dam, including how well they align with the following guiding principles.

Specifically, HAP projects must:

- Support progress towards productivity and abundance as well as spatial distribution targets for Tilton, Upper Cowlitz and Cispus Spring Chinook, Fall Chinook, Coho and Steelhead listed populations.
- Have the intent of protecting and promoting recovery of ESA-listed stocks.
- Be consistent with Cowlitz FHMP, and the 2016 *Lower Columbia Conservation and Sustainable Fisheries Plan* goals, developed by WDFW and the LCFRB.
- Not confound ongoing fish passage and reintroduction activities managed by Tacoma Power, WDFW and LCPUD efforts.

In general, HAP projects should:

- Produce an interim action towards the long-term goal of creating locally adapted, native target populations in the upper basin.
- Be consistent with HSRG principles and standards.
- Consider habitat restoration goals and limiting factors identified in the Recovery Plan, such that projects promote recovery of listed populations originating from upstream of Barrier Dam.
- Be supportive of and minimize impacts to natural fluvial processes, including flow, sediment, and large woody material.
- Support and be of low genetic risk to the recovery of naturally spawning populations.
- Be short term (3-5 year increments) and temporary in nature and operated with minimal maintenance or can be easily removed when project efforts are complete.
- Have a prudent investment of resources such as a high benefit to cost ratio and cost-saving technologies.
- Be technically feasible, utilize proven methods, and have a high certainty of success.
- Matching funds are encouraged, may include other funding sources and volunteer labor, equipment, or supplies.

Hatchery programs whose sole purpose is to maintain or increase harvest will not be considered for funding through the CRR Fund. The hatchery activities specifically required by the Cowlitz License Articles or Settlement Agreement (e.g. satellite rearing ponds) will not be eligible for funding through the CRR Fund.

The HAP subcommittee will consider the how well proposals are aligned with the guiding principles as part of the scoring, ranking, and review process. Scoring will broadly consider similar categories to the LCFRB scoring (Benefits to Fish, Certainty of Success, Cost, and CRR Program Criteria and Priorities). The details of the grant round process and proposal review, including scoring approach, are described the CRR application manual for HAP projects. Grant management is described in a separate grants manual. Both manuals are prepared by Tacoma Power and updated for to each grant round.

The HAP subcommittee provides proposal technical review and a funding recommendation (ranked list) to the FTC. The Tacoma Power and/or the subcommittee will update the FTC on progress throughout the grant round progress. During the draft review stage, the FTC will have the opportunity to hear from project applicants, ask clarifying questions, and provide feedback as a body.

Exceptions to Review Process:

In some cases there may be extenuating circumstances that arise and result in a need to modify the aforementioned review process. At the discretion of the FTC, modifications to the review process could be considered and addressed only on a case-by-case basis. Extenuating circumstances resulting in a project receiving streamlined review consideration are limited to emergencies or time sensitive opportunities that unexpectedly arise, namely acquisition of at-risk properties, and cases in which completion of the regular, annual review process would prohibit a high priority project or action from being implemented. All eligibility requirements and ranking criteria will be consistently applied to proposals considered for a modified review process.

Funding Decisions:

The FTC determines how CRR funds will be expended, such as which proposals will be funded or funding the development of other tools to support the Implementation Strategy. The FTC will consider the ranked recommendations for habitat and HAP proposals in any given year and determine which proposals should receive funding. The FTC may modify the rankings. The FTC may elect to not fund a recommended project, even if funding is available, based upon the quality and fit of projects to meet CRR Fund implementation goals. Funding determinations will be formalized in a decision document.

If the total funding determination is within the available biennial allocation, Tacoma Power will submit the approved project list to the Utilities Director for funding. If the total funding determination exceeds the available biennial allocation, Tacoma Power may request the PUB release additional funds.

Because the FTC decides how to expend CRR funds, they also make decisions regarding project amendments that reduce or increase a grant award amount. For example, the FTC would approve project amendments that reduce the scope of a project or require an additional funding request. The FTC will evaluate project amendments for both habitat projects (brought by the LCFRB) and HAP projects, and will formalize their determination in a decision document.