

SANDY RIVER BASIN AGREEMENT

WHEREAS Steelhead and chinook salmon in the Sandy River Watershed have been listed as threatened species under the federal Endangered Species Act, and additional species may be listed in the future,

WHEREAS The City of Portland, Portland General Electric, the National Marine Fisheries Service, the U S Fish and Wildlife Service, the Mt Hood National Forest, and the Oregon Department of Fish and Wildlife have a mutual interest in conserving fish and their habitat in the Sandy River Watershed, and a responsibility to evaluate actions in the context of consultation for fish species listed or proposed to be listed under the federal Endangered Species Act, and

WHEREAS Past land and water management practices have contributed to loss of watershed health including localized reductions in stream flow and water quality, degradation of aquatic and other habitats, and associated declines in fish and wildlife populations,

WHEREAS All parties seek to improve current conditions of the Sandy River Watershed to restore habitat and provide long-term protection to aquatic and riparian resources,

WHEREAS Watershed health is understood to include, and must respond to, the social, economic, environmental needs and issues of people who live in or use the watershed, and

WHEREAS Many individuals, organizations, corporations, and other federal, tribal, state, local agencies may desire to participate in or make contributions to an overall plan to improve fish and wildlife populations as well as aquatic and riparian resources in the Sandy River watershed,

NOW, THEREFORE

Section I. Parties to Agreement

The signatories of this Agreement will cooperate in the development of a strategy that is consistent with state and federal efforts to maintain and recover salmonids listed under the Endangered Species Act (ESA) in the Sandy River Watershed Parties to the Agreement include

- City of Portland, Oregon
- Portland General Electric (PGE)
- National Marine Fisheries Service (NMFS)
- U S Fish and Wildlife Service (USFWS)
- USDA Forest Service -- Mt Hood National Forest (USFS)
- Oregon Department of Fish and Wildlife (ODFW)

Section II. Purpose of the Agreement

The City of Portland, PGE, NMFS, USFWS, USFS, and ODFW seek to satisfy their respective obligations in the Sandy River Watershed under the ESA as well as their interests and responsibilities under other statutes and regulations, including the Clean Water Act. The improved habitat conditions that will result from actions taken pursuant to this agreement, and subsequent later agreements, will ultimately contribute to recovery of chinook salmon and steelhead in the Sandy River Watershed and the Lower Columbia River Evolutionarily Significant Unit (ESU). In return for making the long-term investments and commitments anticipated to emerge from these agreements, NMFS and USFWS will work with the City of Portland and PGE to develop all necessary ESA authorizations in a timely and cost-effective manner.

Section III. Geographic Focus

The scope of this agreement is the entire Sandy River Watershed. Particular focus is on the effects upon listed species of fish by Portland's two dams on the mainstem of the Bull Run River, and by PGE's Marmot and Little Sandy dams. A map of the project area is attached to this agreement.

Section IV. Overview of Approach

One of the most important issues facing cities, private businesses, and agencies in the Pacific Northwest is resolving the competing uses of water resources while recovering fish listed under the Endangered Species Act. Portland is one of the first heavily urbanized and populated areas where there has been a major ESA fish listing. Millions of Northwest residents, public agencies, and business enterprises will be affected by the salmonid listings. If a pro-active local initiative to respond to the ESA is undertaken, economic impacts of the salmonid listings can be better managed.

The parties to this agreement believe there are opportunities to address the habitat limitations in the Bull Run and Little Sandy subbasins. The parties also recognize that a basinwide strategy that considers the functionality of the entire aquatic ecosystem has the potential to make a meaningful and long-lasting contribution to increasing the populations of salmonid species. A basinwide strategy also has the potential to provide more long term stability in electricity production and water supply.

Watershed-based efforts provide an opportunity for both public and private entities to develop scientifically-based, legally-defensible conservation and enhancement strategies for listed species. Such plans provide an opportunity to examine the overall performance of a watershed on an ecosystem basis instead of focusing on a river system segment-by-segment. Listed species travel up and down the reaches of the Sandy River Watershed. It is important, therefore, that ESA compliance strategies examine the entire watershed and assess the importance of specific areas to each freshwater lifecycle phase.

The envisioned long-term strategy will focus on the major opportunities and constraints in the Sandy Basin. At least the following eight major needs will be examined:

- 1 Assess historical fish production and limitations of the Bull Run/Little Sandy Watershed and other subbasins
- 2 Identify -- at the appropriate scale -- the factors that most limit species survival
- 3 Establish explicit objectives and timelines for early actions to achieve high-priority benefits, and establish criteria and standards by which progress toward objectives will be measured
- 4 Identify opportunities and priorities for habitat protection and enhancement actions that would achieve the explicit objectives
- 5 Assess and recommend specific protection and enhancement actions
- 6 Examine effects of existing fish hatchery activities and implications for fisheries enhancement
- 7 Identify expected benefits from fish mitigation and restoration programs, and examine possible components of a monitoring and adaptive management program
- 8 Examine costs and financing options for fish mitigation and restoration programs

Conservation work resulting from this agreement, and subsequent agreements, will be based on analysis of limiting factors affecting listed fish populations and associated habitat improvement opportunities throughout the Sandy River Watershed. The City of Portland and PGE recognize that municipal water withdrawal and hydroelectric operation have had impacts on listed anadromous fish species. The City of Portland and PGE will coordinate with NMFS, USFWS, USFS, and ODFW to identify and address important habitat deficiencies in the Sandy River Watershed for the listed species as part of a watershed-based strategy for ESA and CWA compliance.

Section V. Sandy River Watershed Context

The Sandy River Watershed is located east of the Portland metropolitan area. The Sandy River Watershed supports steelhead, chinook and coho salmon, and cutthroat trout. ODFW has hatchery programs for most species in the Sandy Basin. Steelhead and chinook salmon are listed as threatened species. Several other fish species could be listed in the near future. Fish stocks have declined dramatically due to timber management, agriculture, mining, water diversion and timing, urbanization and related population growth, hatchery practices, and direct habitat alteration.

Limiting Factors to Fish Production

The general factors limiting fish production in the Sandy River Watershed are listed below. The inter-relationships and magnitudes of these factors, as well as their effects at the sub-basin level, are not yet well understood.

- ***Low summer flows***

The Bull Run, Little Sandy, and Sandy (Marmot Dam to mouth) rivers are all affected by water supply or hydroelectric projects. Flows are diverted from these stream reaches and fish habitat is reduced.

- ***High water temperatures***

The lower Bull Run and lower Sandy (Marmot Dam to mouth) rivers have summer water temperatures that exceed Oregon Department of Environmental Quality standards.

- ***Blocked access to upstream habitat***

Dams in the Bull Run watershed, culverts on private and public land throughout the Sandy Basin, and other structures distributed throughout the basin block historic habitat for anadromous fish.

- ***Stream habitat degradation***

In-stream channelization and removal of large woody debris following the 1964 flood in the Salmon, Zigzag, and upper Sandy rivers significantly deteriorated fish habitat and adversely affected natural hydrological and riparian zone functions.

- ***Loss of genetic diversity***

Loss of genetic diversity can lead to decreased productivity of wild steelhead and salmon populations. Reduced genetic diversity can result from hatchery introgression, small population sizes and genetic flow, fishery selectivity, and habitat fragmentation.

- ***Reduction of spawning habitat***

Dams in the Bull Run and Little Sandy basins have reduced the recruitment of spawning gravels.

Habitat Potential

Productive areas still exist in the Sandy River Watershed -- mainly in the upper basin. The lower portion of the basin is on private land and does not receive the same habitat protection as does the upper basin. A variety of opportunities for restoring habitat can likely be found in the Sandy River Watershed. Existing data support the need to augment spawning habitat in the lower Bull Run, and perhaps the Little Sandy, because the dams have reduced the supply of gravel to those reaches. Several sections of lower Salmon River and the Sandy River have side channels that were blocked to fish following channelization work in 1965. Many culverts throughout the basin block access to upstream habitat. Several access barriers (e.g., culverts on state and county roads) are known, more probably exist on private land. The work plans that will result from this agreement will address various opportunities for restoring degraded habitat throughout the Sandy River Watershed.

Section VI. Work Plans

The parties to this agreement will develop annual work plans that will eventually conclude in one or more ESA/CWA compliance and conservation plans and accompanying agreements. For the next few years, work plans will also identify early actions that can be implemented before the final compliance plans are developed. These early actions will produce quick benefits for fish and will help prevent further loss of habitat values and functions. The annual work plans will also help frame and focus subsequent work plans, and thereby help build a long-term strategy for fisheries enhancement in the Sandy Basin.

Several actions in the attached 1999 work plan will not be completed until the late fall and early winter. Those actions will enable the City of Portland, PGE, NMFS, USFWS, USFS, and ODFW to scope and focus future work plans, studies, and evaluations. These future efforts will be necessary prerequisites to the development of negotiated long-term agreements. Successful implementation of these long-term agreements will enable the City of Portland and PGE to fully comply with applicable federal laws and help ensure that water and power customers in the region are efficiently and cost-effectively served for years to come.

Prior to implementing additional studies, evaluations, or processes resulting from decisions made at the end of the 1999 work plan, the parties to this agreement anticipate executing another agreement that will lay out the needed approaches, timelines, and organizational commitments. Additional partner agencies may want to join in these later agreements.

Section VII. Signatory Parties

The signatory parties attest to the principles and commitments in the above agreement. This agreement may be signed in counterparts if desired by the parties. The following individuals sign as representatives of their organizations.

Peggy Fowler
President,
Portland General Electric

Date

Jim Greer
Director,
Oregon Department of Fish and Wildlife

Date

Gary Larsen
Acting Forest Supervisor,
Mt Hood National Forest --
USDA Forest Service

Date

Russell Peterson
Oregon Director,
U S Fish and Wildlife Service

Date

William Stelle, Jr
Northwest Regional Director,
National Marine Fisheries Service

Date

Erik Sten
Commissioner of Public Works
City of Portland, Oregon

Date

APPROVED AS TO FORM*Jeffrey L. Rogers***CITY ATTORNEY**

SANDY RIVER BASIN AGREEMENT
1999 Work Plan

Purpose and Approach

The work plan's purpose is to outline specific steps to implement the Sandy River Basin Agreement during 1999. Annual work plans will also be developed for subsequent years. Expected benefits of the work plan include:

- Timely action facilitated to protect and enhance salmonid habitat and populations
- Probability of sustainable results improved by considering entire Sandy Basin watershed
- Efforts coordinated to avoid duplication and foster synergy
- Tasks scheduled in critical path order
- Decisionmaking needs of each participating agency supported

The approach involves information collection, analysis, and in field actions that will support relevant decisionmaking processes as well as build a solid foundation for long term compliance with the Endangered Species Act (e.g., via habitat conservation plan(s) or section 7 consultations).

Work Plan Team

Signatory participants to the Agreement designate the following representatives to implement the work plan: Steve Kucas, Water Bureau; Doug Cramer, PGE; Michelle Day, NMFS; Joe Moreau, USFS; Greg Robart, ODFW; Timmie Mandish, USFWS. Meetings are expected to occur at least quarterly.

City of Portland and PGE responsibilities include:

- scoping and implementing the assigned tasks
- reporting on status of the tasks
- scoping the work plan for the succeeding year

NMFS, ODFW, USFWS and USFS roles include:

- review study plans and study results
- provide peer advice about proposed tasks
- facilitate formal agency sign off when needed

Schedule

The work plan acknowledges the pre-existing and continuing decision making needs of each participant, including

- Portland General Electric's hydropower relicensing process
- Portland Water Bureau's annual and long term water supply planning processes
- National Marine Fisheries Service's 4(d) rule and consultation processes
- Implementation of USDA Forest Service's Northwest Forest Plan and Mt Hood National Forest Land and Resource Management Plan

The work plan for 1999 acknowledges milestones in these processes and also differentiates preliminary, short-term actions from larger scale, longer term actions

Spring 1999 Milestone (approx. May) addresses initial stages of PGE's hydropower relicense scoping process, Water Bureau water supply planning for the 1999 summer season, and NMFS issuance of a draft and final 4(d) rule

Fall 1999 Milestone (approx. December) addresses preparations for longer-term efforts (e.g., conservation plan development) and incorporation of data and conclusions as they become available (e.g., information from PGE's relicensing scoping process and analysis from Water Bureau's infrastructure master plan)

Actions

The following actions are anticipated in 1999. Many of these actions will proceed simultaneously, though some may begin mid-year. Expected schedules/decision milestones are indicated, but are subject to change as needed.

Objective: Preliminary assessment of limiting factors and fish production potential

Task 1: Identify natural habitat barriers in the Little Sandy (i.e., waterfall analysis)

Schedule. Complete by July 1999

Task 2: Convene meeting of experts and interested parties to discuss pros/cons of watershed analysis methodologies (including cost/ability to provide decisionmaking tools)

Schedule. Complete by Fall 1999

Task 3: Compile and critique available information on limiting factors

Schedule: Complete by March 1999

Subtask Initial analysis by Stillwater Sciences

Subtask Initial analysis by Beak

Subtask: Initial Information Package for PGE hydrolicense process

Task 4: Model flow/temperature in lower Bull Run River

Schedule: Complete by September 1999

Task 5: Assess feasibility of creating a Sandy Basin watershed atlas including seeking funding partners

Schedule: Complete by June 1999

Objective: Implement fisheries enhancement options during 1999 that are practicable and biologically justified

Task 6: Identify and evaluate enhancement options, especially those with partnership potential

Schedule: Choose short-term actions by June 1999

Example: Initiate summer flow releases from Bull Run

Example: Augment spawning gravel augmentation in Bull Run

Example: Improve selected culverts

Task 7: Implement selected enhancement options

Schedule: Implement selected options during Summer 1999

Objective: Continue assessment of limiting factors and fish production potential

Task 8: Identify data collection/study needs for PGE hydrolicense process

Task 9: Model flow/temperature dynamics in Bull Run reservoirs, including temperature and flow effects from a future Dam 3

Task 10: Scope and initiate basin salmonid watershed analysis

Task 8, 9 and 10 Schedule: Complete by December 1999

Objective: Implement fisheries enhancement options during 2000 that are practicable and biologically justified

Task 11: Identify and evaluate enhancement options, including feasibility of removing Little Sandy Dam

Schedule: Complete by December 1999

Task 12: Assess benefits of contributing dollars to selected conservation or stewardship funds

Schedule: Complete by December 1999

Task 13: Plan Work Plan for Yr 2000

Schedule: Complete by November 1999

RESOLUTION No.

35798

Authorize Commissioner Erik Sten to sign the "Sandy River Basin Agreement" to foster communication and collaboration with parties involved in salmonid protection in the Sandy River Basin (Resolution)

WHEREAS, Steelhead and chinook salmon in the Sandy River Basin have been listed as threatened under the federal Endangered Species Act (ESA) and additional fish species may be listed in the future, and

WHEREAS, Diversion of water from the Bull Run River for the purpose of municipal water supply has adversely affected the quality of habitat for listed salmonids in the Sandy River Basin, and

WHEREAS, Resolution 35715 (July 1998) stated the City Council's direction that the City will work proactively, programmatically and through partnerships to support the recovery of listed salmonid populations in the lower Columbia River Basin, of which the Sandy River Basin is a significant component, and

WHEREAS, The City of Portland, Portland General Electric, the National Marine Fisheries Service, the U S Fish and Wildlife Service, the USDA Forest Service and the Oregon Department of Fish and Wildlife have a mutual interest in protecting salmonids in the Sandy River Basin listed under the federal ESA, and have developed an agreement to foster collaboration toward a multiple-objective and basin-wide approach to salmonid protection, and

WHEREAS, The agreement is an initial effort to find common ground and seek ongoing collaboration, a series of one or more subsequent agreements are anticipated and more parties may choose to participate in those future agreements, and the joint effort will culminate in a long-term ESA compliance strategy, and

WHEREAS, The agreement represents a noteworthy public-private partnership of urban interests, and is consistent with local, state and federal efforts to achieve ESA objectives through voluntary collaborative processes,

NOW, THEREFORE, BE IT RESOLVED, that the City Council authorizes Commissioner Erik Sten to sign the Sandy River Basin Agreement, substantially in the form of attached Exhibit A, on behalf of the City of Portland No funds are committed as part of signing the agreement Funds to implement the measures included in the workplan, accessory to the agreement, are available in the current budget or will be requested as needed under separate ordinances

ADOPTED by the Council,

MAY 26 1999

Commissioner Sten
JSS/jss

BARBARA CLARK
Auditor of the City of Portland
By

Britta Olson Deputy

Authorize Commissioner Erik Sten to sign the "Sandy River Basin Agreement" to foster communication and collaboration with parties involved in salmonid protection in the Sandy River Basin. (Resolution)

INTRODUCED BY	Filed MAY 21 1999
Commissioner Sten	Barbara Clark Auditor of the City of Portland
NOTED BY COMMISSIONER	
Affairs	By <u>Gay Kerchner</u> Deputy
Finance and Administration	
Safety	
Utilities	
Works Commissioner Sten <i>ES</i>	
BUREAU APPROVAL	
Bureau Water Works	For Meeting of
Prepared by Janet S Senior Date May 19, 1999	Action Taken
Budget Impact Review	<input type="checkbox"/> Amended
<input type="checkbox"/> Completed <input checked="" type="checkbox"/> Not Required	<input type="checkbox"/> Continued to
Bureau Head <i>M Rosenberger</i> Michael F Rosenberger Administrator	

AGENDA		FOUR-FIFTHS AGENDA		COMMISSIONERS VOTED AS FOLLOWS		
					YEAS	NAYS
Consent	Regular	Francesconi	Francesconi		✓	
NOTED BY		Hales	Hales		✓	
City Attorney		Saltzman	Saltzman		✓	
City Auditor		Sten	Sten		✓	
City Engineer		Katz	Katz		✓	