

Oxbow Conservation Area

Middle Fork John Day River

**Annual Report
2003 - 2004**



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OXBOW CONSERVATION AREA MIDDLE FORK JOHN DAY RIVER 2003 ANNUAL REPORT

THE CONFEDERATED TRIBES OF WARM SPRINGS
JOHN DAY BASIN OFFICE

BPA CONTRACT NUMBER 2000-015-00
CONTRACT PERIOD: FEBRUARY 1, 2003 TO JANUARY 31, 2004

PREPARED FOR THE BONNEVILLE POWER ADMINISTRATION

BY

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27 FEBRUARY 2004



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ABSTRACT

In early 2001, the Confederated Tribes of Warm Springs, through their John Day Basin Office, concluded the acquisition of the Oxbow Ranch, now known as the Oxbow Conservation Area (OCA).

Under a memorandum of agreement with the Bonneville Power Administration (BPA), the Tribes are required to provide BPA an “annual written report generally describing the real property interests in the Project, HEP analyses undertaken or in progress, and management activities undertaken or in progress”.

The project during 2003 was crippled due to the aftermath of the BPA budget crisis. Some objectives were not completed during the first half of this contract because of limited funds in the 2003 fiscal year.

The success of this property purchase can be seen on a daily basis. Water rights were utilized only in the early, high water season and only from diversion points with functional fish screens. After July 1, all of the OCA water rights were put instream. Riparian fences on the river, Ruby and Granite Boulder creeks continued to promote important vegetation to provide shade and bank stabilization. Hundreds of willow, dogwood, Douglas-fir, and cottonwood were planted along the Middle Fork John Day River. Livestock grazing on the property was carefully managed to ensure the protection of fish and wildlife habitat, while promoting meadow vigor and producing revenue for property taxes. Monitoring of property populations, resources, and management activities continued in 2003 to build a database for future management of this and other properties in the region.

INTRODUCTION & PROJECT HISTORY

The John Day River subbasin is one of national, biological significance, being the second largest free-flowing stream in the continental United States and one of only two river systems in the entire Columbia River basin managed exclusively for wild anadromous fish. The Middle Fork John Day River, historically, was likely the John Day basin's most productive subbasin. However, due to the effects of various resource activities, by the late 1950's spring chinook salmon were functionally extinct. Mining, unrestricted harvest, and water quality conditions created by the Bates Mill and town site, eliminated conducive habitats for spawning adult salmon. Although not counted as extensively, summer steelhead and bull trout were also in decline as logging, road building, mining, and grazing impacted critical aquatic habitats.

With the closure of the Bates Mill and elimination of the Bates open sewer system, the Middle Fork saw its first returns of adult salmon in inventoried history. By the early 1970's, with its designation as the highest priority for restoration in the John Day basin, the upper Middle Fork was drawing attention for its potential productivity and restoration opportunities.

Early restoration efforts primarily focused on bank protection, to halt immediate erosion, on private lands and instream habitat creation on federal lands. These programs were followed by some of the earliest pioneering riparian restoration with the creation of riparian exclosures and riparian pastures in the Camp Creek sub-watershed.

As the program evolved, additional attention was focused on other restoration alternatives through three planning efforts: the Bureau of Reclamation Water Optimization Study, Oregon Water Resources Department Middle Fork Restoration Plan, and a privately funded assessment, that identified high priority parcels for conservation purchase. Identified in these reports, was an assemblage of land and water conservation projects that, in the opinion of the report authors, represented the best opportunity

for recovery of aquatic habitats on the upper Middle Fork mainstem. These plans also highlighted core land and water rights that could be acquired as cornerstones to the restoration effort.¹

The Nature Conservancy of Oregon completed the first acquisition of property with their purchase of the Dunston Ranch at river kilometer 53. The Nature Conservancy obtained the property using a combination of public and private resources in 1990, with the purpose of managing for the recovery of fish and wildlife.

In late 1997, the Confederated Tribes of the Warm Springs Reservation of Oregon (CTWSRO) John Day Basin Office became aware that a Middle Fork parcel owned by the Oxbow Ranch of Prairie City was listed on the real estate market. Initial attempts by the CTWSRO to secure funding for an acquisition were unsuccessful, during which time the property reverted to a mortgage holder. Subsequently, the TNC approached the mortgage holder and negotiated a sale for both the Middle Fork tract of the Oxbow Ranch, with the intent that the tract would eventually be purchased by the CTWSRO. Following lengthy negotiations with the BPA, the CTWSRO were able to conclude the acquisition of the property in early 2001.

The intent of the acquisition project was to partially mitigate fish and wildlife impacts for the John Day Dam as outlined in the Northwest Power Planning Council's Wildlife Program (NPPC 1994, §11.1, §7.6). While the CTWSRO hold fee-title to the property, the BPA is assured a certain level of habitat protection through a memorandum of agreement and annual statement of work.

PROPERTY DESCRIPTION

The Oxbow Conservation Area is located approximately seven miles west of Bates, Oregon. It is completely surrounded by the Malheur National Forest, with the closest private lands being the Nature Conservancy's Dunston Ranch 0.8 miles downstream and the CTWSRO's Forrest Conservation Area's middle fork parcel 4.2 miles upstream. The Oxbow Conservation Area consists of approximately 1,022 acres, of which there are 550 acres of riparian and wetland and 472 acres of upland mixed conifer forests. Approximately four miles of Middle Fork John Day River and 2.2 miles of tributaries are present on the property. The property has a concentration of cold-water tributaries, significantly lowering the river temperature and subsequently increasing fish habitat value.

The Middle Fork John Day River is designated both a State and Federal Scenic Waterway. The Malheur National Forest manages the river corridor above and below the property and all the surrounding lands. North of the property is the Indian Rocks Scenic Area and southeast of the property is the Dixie Butte Roadless Area, although neither designated area is contiguous with the Oxbow Conservation Area. Sandhill crane, Canada goose, osprey, rocky mountain elk, mule and white-tailed deer, small mammals, spring chinook salmon, summer steelhead, bull trout, and Pacific lamprey may benefit from the property's habitat. The protection of both summer steelhead and bull trout are of the utmost importance due to their listing under the Federal Endangered Species Act as threatened species.

The following report will address Statement of Work objectives, budget, revenue, procurement, and other events during the project's 2003 performance period.

STATEMENT OF WORK AND CONTRACT

Although the project was to be contracted from February 2003, due to requests for additional funding, official contract approval was delayed until late summer. The OCA contract amendment wasn't officially approved until September, creating problems with project spending. The spending cap was

¹ With only five major parcels of private land within primary Chinook spawning and rearing habitat, most water rights in the upper Middle Fork were identified for acquisition or conservation.

depleted from late invoicing during the 2002 performance period. Because of these actions, project spending from February through September was limited to only necessary items.

The statement of work, below in boldface type, will provide the framework of reporting on activities.

OBJECTIVES/TASKS FOR 2003 WITH COMMENTS

Objective 1. Conduct habitat surveys and collect resource information for the property to be incorporated in the property management plan. Under the Tribes' MOA with the BPA, we are required to complete a baseline property survey and assessment following the USFWS Habitat Evaluation Procedure and the USFS Hankin and Reeves survey protocol. Furthermore, these assessments will provide information critical to understanding the nature and extent of current habitats and evaluating potential projects to restore and enhance those habitats. The field-surveying portion for the HEP analysis was completed in 2002.

Tasks

- 1.1 Review the HEP draft report with Washington Department of Fish and Wildlife. Following incorporation of comments and review, the final report will be prepared and published.**
- 1.2 Plan for a Hankin and Reeves habitat inventory.**

The HEP results were provided by the Washington Department of Fish and Wildlife in March. These results were from survey activities of the summer 2002. HEP figures and results are in need of review and formal report writing. These activities will be finished in the 2004 performance period. In 2003, results from the Washington Department of Fish and Wildlife survey were delivered and analyzed. Initial reporting was started. BPA was provided a HEP survey results summary describing Habitat Suitability Index values and Habitat Unit values.

Hankin and Reeves survey subcontracting was attempted in summer and fall of 2003. Due to budgetary constraints in the first portion of the contract year the survey could not be performed. After the release of funding with the start of the new fiscal year, problems with contracting language between ODFW and the CTWSRO could not be resolved before the end of the survey season. This contracting issue will be resolved soon, allowing the survey to take place in 2004.

Objective 2. Draft property management plan.

Tasks

- 2.1 Using an interagency and public planning approach, the Tribe will prepare a management plan which incorporates the information collected from the baseline assessment, other property and watershed specific data, resource goals, objectives and recommended management strategies. This plan will provide the foundation for an allocation of resources on the property under future management.**
- 2.2 The draft management plan will be distributed for peer and public review and, following incorporation of comments, will be published.**

An initial management plan advisory group meeting was held in February 2003. This meeting had many interested private landowners and local agency representatives. The Forrest and Oxbow Conservation Areas Management Plan has been taking shape during research and writing activities throughout the 2003 contract year. Drafts have been sent to Warm Springs in November for review and editing. GIS data was sent to Geo Visions in November for production of professional-grade maps

for the plan's final version. Copies of the draft plan will be distributed to advisory group members in March 2004 for their input. The advisory group will provide essential input for the development of grazing, haying, irrigation, public access, monitoring, and fish and wildlife management goals and objectives. A refined draft management plan for the two properties will be sent to BPA for review and approval processes shortly thereafter.

Objective 3. Conduct consultations and compliance surveys with appropriate agencies prior to non-exempt activities.

Tasks

- 3.1 Depending upon the commitment of resources within the management plan, formal consultation on future actions may be required with state and federal agencies such as the National Marine Fisheries Service, U.S. Fish and Wildlife Service, Army Corp of Engineers, and State Historic Preservation Office.**
- 3.2 Contract cultural resource surveys for ground disturbing projects.**
- 3.3 Proposed ground disturbing activities, if any, will be compiled into an assessment report (e.g., biological assessment) and submitted to the appropriate agencies for consultation.**
- 3.4 Complete Biological assessments and informal/formal consultation with NMFS and/or USFWS for non-exempt projects.**
- 3.5 Complete an environmental checklist for BPA activities not considered in the existing supplemental EIS.**

Activities related to this objective were minimal in 2003. The Warm Springs Cultural Resources Department was active in finishing and delivering a cultural resource survey report for the dredge mine tailings on the property, and in communicating with BPA regarding the DeWitt Homestead and stage stop historic buildings and property located on the Oxbow Conservation Area. NEPA checklists were provided to BPA in the spring, as required. The property did not have any non-exempt ground-disturbing activities occur in 2003. Out year planning was performed at the end of the year with the development of project scope reports for BPA and Warm Springs Cultural Resources Department and completion of a 2004 herbicide application matrix for BPA.

Objective 4. Plan for remediation of two miles of mine tailings.

Tasks

- 4.1 Evaluate and complete a final design decision from the completed NRCE, Inc. findings and design.**
- 4.2 Evaluate the Cultural Surveys of the mine tailings area and incorporate findings into the restoration plan.**
- 4.3 Plan the remediation of the 200 total acres of leveled tailing piles and related construction activities.**
- 4.4 Investigate cost-share programs to find a well-matched program for the Oxbow.**

As the dredge tailings construction funding (\$140,000) was lost in September 2002, the project has been seeking other funding sources for restoration of the Middle Fork John Day River on the OCA. This year, the NRCE, Inc. mine tailings design subcontract was completed and an engineered restoration plan exists.

Several meetings were also held with Malheur National Forest to discuss a possible joint conservation project composed of the tailings restoration, several culvert replacement projects, and resolution of stream connectivity issues. The origin of these meetings stemmed from John Day Basin Office requests for mine tailings deposit sites on the forest. Although a site could not be found closer than another option, a cooperative grant proposal grew out of the discussions. With ODFW offering to fund the

tailings restoration and issues regarding OWEB monies applied to federal land ultimately postponed the cooperative project. Future projects between the Malheur and the John Day Basin Office may be considered in 2004.

A meeting was held with ODFW staff and an associated consultant in November at the Oxbow Conservation Area. ODFW had tentatively agreed to fund the restoration of the Oxbow Conservation Area mine tailings in 2005 and 2006. The ODFW program is BPA-funded. Riparian fence relocation will also be a planned part of this future project. Riparian fences will be replaced after tailings treatment at appropriate widths for maximum riparian habitat benefit.

Cultural Resource survey report was delivered early in the contract year. Given recent consultations on the mine tailings, the cultural survey for the tailings area may be too confined. The survey was based on the original JDBO coordinator's plan to haul the tailings offsite. Hauling the tailings off-site is considered too costly, and not necessarily beneficial. Digging tailing deposit pits in adjacent uplands has been a successful alternative that is far less expensive and provides soils for better riparian replanting and water storage. Additional cultural resource surveys of these adjacent upland areas should not require much funding, as the additional acreage to be surveyed will be small.

Objective 5. Plant riparian corridors with native trees and shrubs.

Tasks

- 5.1 Coordinate with the Forest Service on the collection of native hardwood planting material for the project.**
- 5.2 Plant both banks of riparian zone along the Middle Fork John Day River and its tributaries. This task will continue for several years, due to planting seasons, planting survival, weed control, and availability of planting material.**

Willow and cottonwood cuttings were collected in February 2003 by JDBO staff from area sources. In May, JDBO staff planted cuttings along the south channel of the river and the south channel slough. Included with the 600 or so planted cuttings were a few dozen Douglas-fir seedlings, and some cottonwood rootstock, and some dogwood. The Malheur National Forest provided the Douglas-fir seedlings and cottonwood rootstock. Volunteers from the Oregon Youth Conservation Corps helped during the planting efforts. Riparian planting was successful, but out year surveys will reveal better survival statistics.

Objective 6. Continue ongoing management of the property including, but not limited to, property patrols, noxious weed control, fence maintenance, building maintenance, property uses, and other similar activities. These activities are important to ensure that current fish and wildlife values on the property are maintained or enhanced.

Tasks

- 6.1 Control weeds as identified under the existing weed inventory consistent with established county, state, and federal guidelines. Incorporate these guidelines into the property management plan. Emphasis will be placed on county listed noxious weed species.**

Noxious weed control in 2003 mainly targeted teasel, Canada thistle, and spotted and diffuse knapweed. All known occurrences of knapweed were controlled, mostly by hand pulling. Larger patches of Canada thistle were controlled in the upper historic pasture. Teasel is the most abundant weed on the property. Spring and fall spraying of teasel rosettes were undergone. As the plant flowered, mowing activities were performed in the heavily infested areas. The Nature Conservancy provided mowing equipment for the work. Other weeds, such as oxeye daisy, mullein, and sulfur cinquefoil were also treated. As with many noxious weed species, seed viability can last many years, requiring multiple years of treatment. A

brush cutter is planned for purchase in 2004 to ease efficiency in cutting teasel. Herbicide spray will continue in 2004.

6.2 Perform routine and regular maintenance on the fences, with particular attention to the boundary fences, to control unauthorized cattle grazing from adjacent federal lands.

Fence maintenance was a regular duty throughout the year, but most repair efforts were accomplished in the spring, prior to cattle turnout on adjacent forest allotments. One section of fence was completely overhauled, and other fence sections were identified for future restoration. In the fall, the Ruby pasture saw repeated failures of fences resulting in trespassing cattle on the property. Rigorous improvements will be needed to Ruby and Ragged pasture fences in 2004.

6.3 Perform regular and ongoing maintenance of buildings and other structures to ensure safety, protection from damage, and to provide adequate storage of equipment and supplies for ongoing operations.

The manager's cabin was assessed for maintenance needs in 2003. The wood decking was repaired and a couple unsound boards were replaced. Many of the broken window parts were repaired. The chimney flue was inspected and cleaned. Multiple rodent infestation access points were secured. The storage shed was equipped with a hazardous materials cabinet for fuels and chemicals. Location of the equipment shed is a security and maintenance concern. The building was constructed around 1954 and has a floorless design. It is impossible to keep the building rodent-free, and its location on the service road could result in theft of equipment.

6.4 Patrol the property to prevent unauthorized uses (e.g., wildlife poaching).

The property was patrolled regularly, especially during hunting seasons. People encountered on the property were mostly cooperative. There were not any known big game poaching incidences. Gunshots were heard on a couple of occasions on or near the property outside of a hunting season. It is thought that varmint hunting was taking place without consent of management during these instances. A situation occurred in the summer where a man was seen at a great distance on the west end of the property firing a firearm at what is suspected to have been ground squirrels. The person left the property before contact could be made. Property regulations are being established with the management plan. A sign was installed near the main property entrance in the fall. This sign will aid in public knowledge of allowed activities and protocol for legal property access for the public.

Boundary signs were posted along the boundary of the property in 2003 and in past years. As the John Day Basin Office relocated in the spring of 2003, the phone number on the signs required updating. Signs were updated using a sticker to place over the old phone number. This update was only performed on signs adjacent to roads or other prominent access points. New signs are planned to replace these "No Trespassing" signs in the future. New signs will probably read with a "access subject to regulation" tone.

6.5 Patrol the property to prevent wildfire threats, equipped with appropriate tools for handling such events.

Warm Springs provided the project with a slip-on wildland fire pumper for the GSA truck in August. The 200-gallon tank may provide initial-attack fire protection limiting fire spread until fire protection agencies arrive. Associated costs for the pump and additional supplies involved in this acquisition were funded through the Forrest Conservation Area revenue account. Other related equipment was purchased with BOR funding to provide a portable pump for refilling the pumper tank.

6.6 Provide adequate access to property for wildlife in the winter season through fence management activities.

Fence gates were opened during non-livestock grazing periods to ease wildlife passage. There were two known wildlife fatalities associated with fences in 2003. A mule deer was found dead tangled in a

riparian fence on the west end of the property in the summer and a portion of an elk was found in a boundary fence on the north-side of the property. Five drop-fence section locations were identified in 2003 to reduce such impacts to wildlife. These locations were based on wildlife traffic and ease of installation and maintenance. Some of these drop fence sections are planned for installation in 2004. Additional locations will continue to be identified. Drop-fences are usually modified fences, creating long "gates" that attach to anchor points on each end with supports that latch to existing fence posts along the length. These features can be created without any ground-disturbing activities in most situations.

6.7 Plan to update the manager's on-site residence to ensure safety, efficiency, and repairs to deteriorating structures. These updates include a more efficient heating system for the property residence and adequate insulation of the structure.

Log chinking caulk, stain and treatment was purchased with property revenue. In the fall and winter, rooms were sealed to maintain heat and repel moisture. Exterior staining, treatment and chinking of the logs was also planned, but weather delayed treatment until next summer. Windows were measured and an estimate for replacement was received. Funding is approved for new, efficient windows in 2004. A few of the older windows will then replace windows in the nearby shed.

6.8 Plan to provide equipment to allow for winter access to property.

Funding was approved for a snowplow in 2003. Bids were collected and a Blizzard snowplow was purchased in Baker City in December. Large snows followed, which the plow adequately handled.

6.9 Provide annual decisions on conservation grazing leases, water leases, and irrigation use.

The property was leased for three months of livestock grazing from June 1 to August 31. The lessee bid \$17.25/Animal Unit Month (AUM) for 300 AUMs and ran 166 heifers on the property for three months. All pastures except the south channel pasture and the rock pit pasture (near the manager's cabin) were utilized. The lessee was very cooperative and responsive to our requests.

In the spring the JDBO worked with the Bureau of Reclamation for a partial year in-stream water right lease. This would allow the property to utilize irrigation for groundwater recharging in the spring and ensure resource protection after July 1. The lease would have provided the program with payment of about \$10,000. Due to fiscal problems with BPA and the project budget, these funds would have allowed the project funding for cultural surveys and the Hankin and Reeves survey. Unfortunately, BPA did not approve the water right lease. As the project is dedicated to fish and wildlife benefit, the water rights were put instream without a lease, with only minor additional irrigation in July.

All diversion points equipped with working fish screens were utilized in late April, May and June on Butte, Ruby, and Granite Boulder Creeks. Beaver Creek, Corner Creek, and off-property Granite Boulder Creek water rights were not utilized due to an absence of fish screens. Some of these water rights had not been used in a couple of years. Ditches are in poor shape on the property. Many hours of maintenance were spent cleaning ditches to allow water passage and repairs were made to ruptures.

6.10 Grant access to anglers upon request, only if they are to adhere to state fishing laws, and accept the terms of using single, barbless hooks only while on the property. No bait will be allowed.

Only two requests were made to fish the property. Permission was granted and both anglers practiced catch-and-release. The management advisory group will address fishing in the property management plan in 2004.

Objective 7. Provide continued managerial, clerical, and technical support for all activities.

Tasks

- 7.1 Support the on-site manager with oversight and technical assistance provided by the John Day Basin Office staff and CTWSRO Natural Resources Office.**
- 7.2 Support the BPA contract with ongoing fiscal tracking, contract compliance, purchasing, payroll, and other similar administrative activities.**
- 7.3 Implement new BPA budgetary standards in planning and operation to create a smooth transition to the next annual budget at the end of the contract period.**

Project manager oversight was changed after the John Day Basin Office Coordinator resigned in May. John Day Basin Office staff oversight and supervision is now provided out of Warm Springs by the fisheries and wildlife program manager. Future funding for one-month salary for the Fisheries Program Manager has been arranged, but that position remains vacant. Once filled, that position will provide primary oversight for this program.

BPA policy requires that future SOW, project budget, and work schedule be submitted 90 days in advance of the beginning of the contract start date. This fall these items were drafted earlier than in previous years, but final SOW wasn't submitted until about 30 days prior to the 2004 contract start date. Fiscal tracking improved greatly by the end of the 2003 contract period. The end-of-year accrual estimate was close to the actual value invoiced for September expenses. BPA improved invoice tracking in September by allowing project managers to access their project's balance sheet on the BPA website. New budget software and practices were transitioned during the year.

Objective 8. Continue monitoring and evaluation activities as detailed in the JDBO's annual monitoring plan (on file in the John Day Basin Office). We anticipate other monitoring and evaluation activities to be conducted as recommended within the property management plan. These may include such elements as wildlife population surveys, other water quality monitoring, instream flow incremental methodology, as well as the baseline habitat assessments proposed under the MOA with the BPA. These activities include, but are not necessarily limited to:

- 8.1 Macro-invertebrates are sampled using standard surber equipment and classification to genera.**
- 8.2 Five continuous recording thermal loggers are installed to measure summer water temperatures on the mainstem and key tributaries. Protocol follows standard State recommendations (Oregon Department of Environmental Quality 1997).**
- 8.3 Continue conducting annual spawning ground counts for spring Chinook, summer steelhead, and bull trout.**
- 8.4 Conduct annual herd composition counts of big game animals on the property.**

Monitoring activities were generally successful in 2003. However, Tasks 8.1 was not completed due to time considerations. Macroinvertebrates were sampled in 2001, and it is thought to have been sufficient.

Thermal data loggers were placed in various stream locations as in past years, and then collected in the fall. Data collected from these loggers were stored in the John Day Basin Office database for future reference and study.

ODFW conducted annual spawning counts for summer steelhead on Beaver Creek in May, and spring chinook on the Middle Fork John Day River in September. John Day Basin Office staff participated in both counts. ODFW also surveyed bull trout on Granite Boulder Creek's lower one-half mile. Bull trout were not observed during this late summer and fall survey period.

Fall photo points were taken at 16 permanent monitoring locations on the Oxbow property. The photo points included the eleven permanent bird stations and the five permanent monitoring reaches on the river.

Deer and elk were monitored in the spring when herding activities were at a high. Counts were made frequently. In early May, a herd of eighteen white-tailed deer were recorded on the property on three different dates. Smaller groups of white-tailed deer were seen in March and April. Elk herds consisting of six to twenty animals were seen on a daily basis in the evening from mid-March to early May. Mule deer were not seen on the property until mid-May in 2003. Group sizes for mule deer rarely exceeded four animals throughout the year.

Bird surveys were performed at established points, six upland and six riparian, during early summer. Results were entered into the John Day Basin Office database for future study and reference.

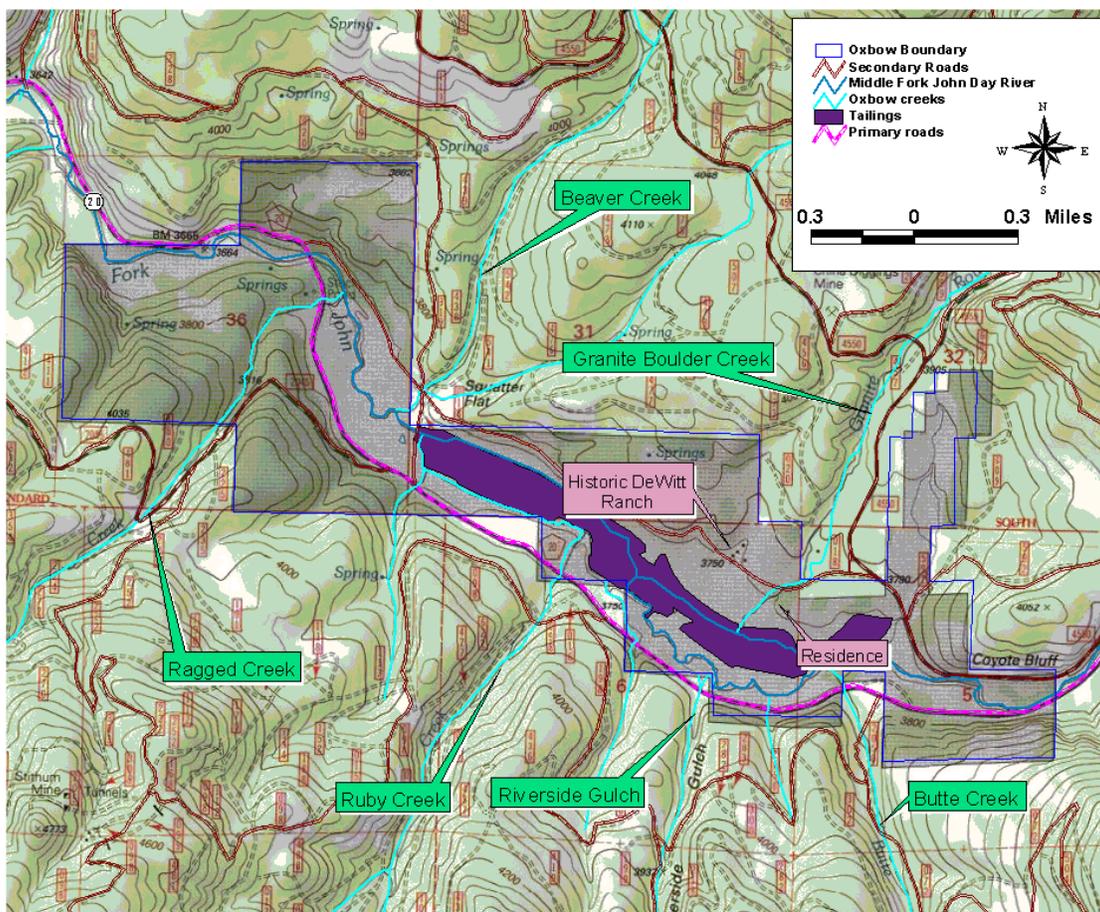


Figure 1. Map of Oxbow Conservation Area and features.

Objective 9. Provide Administrative Support Costs (ongoing annual management tasks) for operation of the Tribal program and maintenance of the property requires additional support in the form of fringe benefits, indirect costs, and essential material purchases.

Tasks

- 9.1 Provide fringe benefits at the rate of 23% of salary for permanent employees.**
- 9.2 Provide indirect costs at the rate of 39.7% of total budget expenditures, excluding capital equipment and subcontracts.**
- 9.3 Purchasing supplies such as, office, non-office, and fencing material.**
- 9.4 Plan purchase of equipment essential for operation, such as hazardous materials cabinet for herbicides and fuels, a snowplow for winter access of property, wildland firefighting equipment, and other miscellaneous minor major and equipment.**
- 9.5 Pay regular and recurring expenses such as, GSA vehicle, utilities, and insurance.**

All of the above tasks were performed. Indirect cost rate changed during the contract from 39.7% to 37.7%. Supplies were purchase as funding allowed and needs developed. An initial attack for wildland fire water pumper which slips onto the project pickup truck could not be funded out of the Oxbow account due to a lack of funding. The hazardous materials cabinet was purchased with BOR program funding, and this program did not purchase herbicides during this contract period. GSA vehicle, utilities of electricity, garbage collection, telephone and internet service provider, and property and vehicle insurance were invoiced throughout the year.

OTHER ACTIVITIES

Domestic cattle grazing was initiated as an additional management tool during the early summer months. The grazing lease was implemented for the enhancement of wildlife forage, noxious weed control, to keep the property on the farm deferral tax rate by incorporating agricultural activities into management, and to generated revenue for the purposes of off setting management costs and paying property tax and fire protection bills. CTWSRO and the lessee made assurances to protect fish and wildlife habitat and to closely monitor forage utilization within each of the pastures. Additional revenue collected during 2002 was from rental of the Oxbow residence.

SUMMARY AND CONCLUSIONS

At the end of the 2002 federal fiscal year, BPA ended budget carryover of previous year, unspent funding. This announcement was mistakenly assumed to not impact future funding of Oxbow project funding. However, over \$200,000 of FY2002 available funds were no longer available after October 1, 2003. These funds were earmarked for dredge mine tailings restoration, headgate installation, conservation activities, equipment purchasing, and building repairs. Furthermore, late invoicing by the tribes, subcontracts underway, and other purchases absorbed a larger portion of the FY2003 accrual, severely impacting activities for the 2003 performance period.

Much research and progress was put forth on the framework for a property management plan. Addition to the JDBO database will aid in future research projects. A vast amount of O&M work was performed. Certain SOW objectives had a multi-year completion timeline, due mainly the size of the project, and were not completed. Adequate funding for the mine tailings restoration project must be re-allocated for the future. The restoration project is projected to significantly benefit the spawning and rearing of anadromous fish and is supported by the ISRP, CBFWA, NMFS, USFWS, ODFW, and others.

Changes in management, oversight, and funding have impacted the program in ways deemed positive and adverse. Completion of the property management plan in 2004 will build a path for better communication between the tribes and BPA to demonstrate needs for program funding.

EXPENDITURE SUMMARY

The 2003 Performance Period award for the Oxbow Conservation Area was \$110,715. This was split by the 2003 fiscal year spending cap and 2004 fiscal year. During the first eight months of the performance period, the project was reduced to a survival budget due to late invoicing in 2002. The expenditures in 2002 were withdrawn from the 2003 fiscal year spending cap. After September, the project had access to new funding, and was able to finish paying off subcontracts and purchase needed equipment. Changes in management, BPA policy, fiscal tracking, and tribal invoicing should help avoid similar situations in the future.

The following table is the final version of the approved budget for 2003 with an extra column showing actual expenditures invoiced to BPA during the performance period. The original budget was modified in November, to accommodate changes to indirect cost rate and adjustments in subcontracts. The indirect cost rate change dropped from 39.7 percent to 37.7 percent resulting in a surplus that was not entirely reallocated.

APPENDIX A - REVENUE REPORT

The process of managing revenue changed in 2003. Given a separate account in April, revenue could be easily tracked during deposits and withdrawals. The revenue balance from 2002 wasn't properly tracked and deposited into the revenue account until November. It was thought most of 2002 revenue paid for property taxes last year. It was discovered that 2002 property taxes were actually invoiced to and paid by BPA. BPA was reimbursed for these 2002 taxes. The Oxbow Conservation Area Project had two general sources of revenue in 2003, housing rent and grazing fees. The Habitat manager pays \$75.00 per month for rental of the cabin on the property. This building also serves as his office. The property was leased for livestock grazing for three months during the summer. This was awarded to highest bidder. The high bid this year was \$17.55 per Animal Unit Month (AUM) and the agreement was set at a ceiling of 300 AUMs.

Revenue was spent on Taxes, tax-related items, and operation, maintenance, and fees.

Revenue Income (Performance Period 2003)

Rental and Rental Related Income:	\$858.66	(monthly income)
Grazing Lease Income:	\$5265.00	(June and August payments)
Tribal Adjustments (2002 balance)	<u>\$2587.50</u>	(Adjusted in November)
Total Income	\$8711.16	

Revenue Expenses (Performance Period 2003)

2002 Fire Assessment	\$1552.55	(paid in June)
Property Taxes (with Farm Deferral)	\$2281.72	(four parcel total)
Non-office supplies (O&M materials)	\$1541.50	(Bronson Log Homes)
Mineral Right Title Search Fees	\$279.20	
2002 Property Taxes (payment oversight)	<u>\$2525.09</u>	(originally paid by BPA, Nov.)
Total Expenses	<u>\$8180.06</u>	
Account Balance for 2004	\$531.11	

APPENDIX B -2003 BUDGET

Middle Fork Oxbow Contract Budget 2003

1. Personnel	Unit	QTY	Unit cost	2003
Property Manager	Hr	2080	\$ 16.00	\$ 33,280.00
Secretary (1 / 4 JDBO)	Hr	519	\$ 9.86	\$ 5,117.34
Conservation Technician	Hr	203	\$ 11.70	\$ 2,375.10
Subtotal		2802		\$ 40,772.44

FICA	%	\$ 40,772	7.65%	\$ 3,119
SUI	%	\$ 40,772	2.40%	\$ 979
WCI	%	\$ 35,655	2.76%	\$ 984
WCI - Secretary	%	\$ 5,117	0.23%	\$ 12
Group Benefits	%	\$ 40,772	8.00%	\$ 3,262
Retirement	%	\$ 33,280	5.00%	\$ 1,664.00
Subtotal				\$ 10,019.28

Personnel Subtotal \$ 50,792

2. Travel	QTY	Unit	Unit cost	2003
Training/Meetings	3	days	\$ 90	\$ 270

Travel subtotal \$ 270

3. Vehicles	Type	Months	Per/month	2003
GSA Lease	3/4 ton PU	12	\$ 580	\$ 6,960
Insurance	vehicles	12	\$ 85	\$ 1,020

Vehicle Subtotal \$ 7,980

4. Supplies/Equipment	QTY	Unit cost	Unit	2003
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Office Supplies/Equipment

Books and Manuals	1	\$ 50	ea	\$ 50
Printing/Xerox	1	\$ 25	Annual	\$ 25
Office supplies	12	\$ 35	Month	\$ 420
Postage/Federal Express	12	\$ 7	Month	\$ 84

Field/Research Supplies/Equipment

Equipment fuel charges (lawn mower, chainsaw, ATV, etc.)	1	\$ 90	Annual	\$ 90
Reimbursement for personal vehicle usage	107	\$ 0.34	Mile	\$ 36
Minor equipment and tools (e.g., hand tools, ladders, etc.)	1	\$ 295	Annual	\$ 295
Miscellaneous major equipment tools (e.g., power tools, etc.)	1	\$ 147	Annual	\$ 147
Miscellaneous non-office supplies (e.g., gloves, waders, fencing, and fabrication material, ect.)	12	\$ 120	Month	\$ 1,440
Maintenance to heavy equipment (e.g., ATVs, etc.)	1	\$ 70	Annual	\$ 70
Miscellaneous parts for heavy equipment (e.g. ATVs)	1	\$ 60	Annual	\$ 60

Supplies/Equipment Subtotal \$ 2,717

5. Utilities	QTY	Unit cost	Unit	2003
Transfer station/sanitation	3	\$ 9	Month	\$ 26
Telephone expense	12	\$ 70	Month	\$ 840
Electricity	12	\$ 85	Month	\$ 1,020
Internet Service Provider	12	\$ 24	Month	\$ 288

Rent/Utilities Subtotal \$ 2,174

6. CAPITAL EQUIPMENT	QTY	Unit cost	Unit	2003
Snowplow Blade	1	\$ 3,501	ea	\$ 3,501

CAPITAL EQUIPMENT Subtotal \$ 3,501

7. Other Fees	QTY	Unit cost	Unit	FY 2003
Fire Assessment	1	\$ 1,500	Annual	\$ 1,500
Building Insurance (1/4 JDBO share)	12	\$ 12	Annual	\$ 150

Other Fees Subtotal \$ 1,650

8. Subcontracts	QTY	Unit cost	Unit	FY 2003
Dredge Mine Tailing Consulting Plan	1	\$ 15,595	Contract	\$ 15,595

Subcontracts Subtotal \$ 15,595

BUDGET SUBTOTAL: **FY 2003**
\$ 84,678

OVERHEAD/INDIRECT **FY 2003**

39.7% of total of items 1-5 and 7 **\$ 26,036**

BUDGET TOTAL: **FY 2003**
\$ 110,715

Subcontractors Budget Attachment

Dredge Mine Tailing Consultation Plan and Design				
Personnel	QTY	Unit cost	Unit	Total
Assistant Engineer I	72.3	\$ 75.00	hour	\$ 5,422.50
Associate Engineer I	3.1	\$ 83.00	hour	\$ 257.30
Associate Engineer II	7.2	\$ 88.00	hour	\$ 633.60
Clerical/Administration	12.8	\$ 42.00	hour	\$ 537.60
Engineering Aide I	51	\$ 50.00	hour	\$ 2,550.00

Personnel	QTY	Unit cost	Unit	Total
II Engineering Aide	22	\$ 60.00	hour	\$ 1,320.00
Senior Engineer I	49.6	\$ 95.00	hour	\$ 4,712.00
Personnel sub-total				\$ 15,433.00

Services/Supplies	QTY	Unit cost	Unit	Total
Telephone	1	\$ 23.56	contract	\$ 23.56
Photocopies	1	\$ 37.50	contract	\$ 37.50
CAD Plots	1	\$ 28.00	contract	\$ 28.00
Postage, etc.	1	\$ 51.00	contract	\$ 51.00
Office Supplies/Misc.	1	\$ 21.44	contract	\$ 21.44
Services Sub-total				\$ 161.50

BUDGET TOTAL:	\$ 15,594.50
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APPENDIX C – OXBOW 2003 CONSERVATION GRAZING PLAN

General Provisions:

1. The Natural Resources General Manager of The Confederated Tribes of Warm Springs Reservation of Oregon (CTWSRO) and his designee(s) are authorized and empowered to make adjustments or modifications to this plan to cope with changing conditions or emergency situations insofar as adjustments and modifications are necessary to protect natural resource values on the Oxbow Ranch Area-Middle Fork-John Day River.
2. The Lessee is obligated to secure the essential material and equipment necessary to accomplish any conservation operations or improvements contained within the supplemental provisions of this conservation plan.
3. In the event the Lessee fails to follow this grazing program in a satisfactory manner, grazing will be immediately suspended and Lessee may be liable for property and resource damages in accordance with applicable State law.

Property Description:

Property Information- The Oxbow Ranch property is a 1,022 acre property owned and managed by the CTWSRO, located eight miles west of Bates, Oregon, in Grant County within the following sections: 36 of Township 10 South, Range 33 East, sections 31 and 32 within Township 10 South, Range 34 East and sections 5 and 6 of Township 11 South and Range 34 East.

The Property is subdivided into 12 pastures by fencing. The Oxbow residence, the historic Dewitt Ranch buildings, and unfenced areas on the eastern extent of the property are not included in the current grazing proposal.

Vegetation Description- The Oxbow Ranch contains several unique plant communities ranging from open moist meadow systems to Ponderosa pine/Douglas Fir timberlands. Vegetation production varies between plant community types and site conditions. Grazing allocations have been determined based upon plant community location within existing fences and pastures on the ranch. A complete listing of plant communities have been described in the ***Preliminary Plant Community Inventory and Vegetation Assessment, Oxbow Ranch-Middle Fork-John Day River***. Primary perennial grass and sedge species observed during field investigations in June of 2001 included Idaho fescue (*Festuca idahoensis*), Sandberg's bluegrass (*Poa sandbergii*), tufted hairgrass (*Deschampsia caespitosa*), bentgrass (*Agrostis spp.*), and elk sedge (*Carex geyeri*). Introduced species include timothy (*Phleum pratense*), Kentucky bluegrass (*Poa pratensis*), Orchard grass (*Dactylis glomerata*), and meadow foxtail (*Alopecurus pratensis*).

Seasons of Use- The majority of the Oxbow Property consists of wet, moist and dry meadow systems in and around the Middle Fork of the John Day River. Some acreage has been classified as "non-range" due to the steepness of the slopes, lack of exterior fences and inaccessibility of forage species to livestock. However, these areas play an important role in providing quality wildlife habitat.

Plant communities vary in range readiness (for grazing purposes) from year to year depending upon climatic conditions within the John Day basin. Plant communities, predominately composed of perennial grass, forb and sedge species, should be utilized by domestic livestock from May 15 to approximately September 15 of each year. Soil moisture conditions within the meadow systems will dictate range readiness and turnout dates. Turnout time periods may need to be adjusted depending upon precipitation, forage growth patterns, and resource protection considerations.

General Conservation Practices:

1. Livestock Grazing Objectives:

Implement conservation measures that:

- enhance vegetation resources in order to provide improved habitat conditions for wildlife and fisheries species
- are consistent with land management plans for Oxbow Ranch and anadromous recovery efforts within the John Day Basin
- protect land status and stewardship options to ensure long-term land management goals are achieved within the Basin.

2. **Overgrazing:** It is understood that the lessee will graze lands in a manner which will not destroy the vigor and productivity of forage species as determined by the Natural Resources General Manager of the Confederated Tribes of Warm Springs Reservation of Oregon and his designee(s) and agrees to make promptly such reduction in the number of animals grazed as necessary to preclude over-grazing, soil erosion, riparian degradation or other injury to the lands at any time during the term of the lease; and that they will observe all quarantine and stock regulations now in force or hereafter promulgated by the United States or the State Authorities.

3. **For the Grazing Year - 2003:** Seasons of use will be dependent upon range readiness and selection of a lessee to carry out grazing activities on Oxbow. It is recommended that grazing be conducted between May 15 and August 15 of this year within nine primary pastures.

A. Carrying Capacities: Based upon production studies conducted in June of 2000, total available forage for livestock use within existing pastures is outlined below:

Pasture Number	Available AUM's	Pasture Acreage	Irrigation Available	Old Pasture Number (2002)	Pasture Name
1†	48	96	Yes	1	Corner Creek
2	54	203	No	2	Ragged Creek
3†	136	202	No	3	Ruby Creek
4†	28	23	Yes	19	West River
5	10	5	Yes	15	Lufkin
6	46	84	Yes	6	Upper Historic
7†	89	61	Yes	7	Lower Granite Boulder
8	57	31	Yes	8/10	Lower Historic

Pasture Number	Available AUM's	Pasture Acreage	Irrigation Available	Old Pasture Number (2002)	Pasture Name
9*	178	87	Yes	9	South Channel
10	43	58	Yes	4	North Finger
11	138	55	Yes	16/17/18	Coyote Bluffs
12	35	21	No	13	Borrow Pit
TOTAL	862	926			

*= Pastures not recommended for grazing during the 2003 grazing season.

†= Pastures selected for grazing during the 2002 grazing season.

B. Carrying Capacities for 2003 grazing season- Grazing capacities have been set at 300 Animal Unit Months (AUM's). Utilization of this forage allocation may occur within all pastures except pasture nine (see Table 1). Rotation of livestock between these pastures is preferred frequently, utilizing upland pastures and non-irrigated, drier pasture earlier in the season. Waterfowl and migratory bird nesting occurrence within pastures will be evaluated prior to livestock utilization. Water will be provided to grazing livestock within each pasture through natural springs, irrigation canals, or existing watergaps on the John Day River.

Total allowable forage to be utilized from these pastures in 2003 is 400 AUM's. This equates to:

- 300 cows-calf pairs for a 1 Month grazing period; or
- 150 cows-calf pairs for a 2 Month grazing period; or
- 100 cows-calf pairs for a 3 Month grazing period.
- Or a similar combination agreed upon by the lessor and lessee.

100 Pair for Three Months Example

Pasture #	Group	# Pairs	Starting Date	Ending Date	Pasture Days	# Pair-Days	AUM Consumption	Pasture AUM Value
5	Both	100	1-Jun	2-Jun	1	100	3	10
12	1	33	2-Jun	10-Jun	8	264	9	35
10	1	33	11-Jun	25-Jun	14	462	15	57
8	1	33	25-Jun	30-Jul	35	1155	39	57
11	1	33	31-Jul	31-Aug	31	1023	34	138
1	2	33	3-Jun	25-Jun	22	726	24	48
6	2	33	25-Jun	18-Jul	23	759	25	46
7	2	33	18-Jul	31-Aug	44	1452	48	89
2	3	34	2-Jun	26-Jun	24	816	27	54
3	3	34	26-Jun	15-Aug	50	1700	57	136
4	3	34	16-Aug	1-Sep	16	544	18	28
Total							300	698

Animal Units and dates are flexible within this framework to accommodate minor changes in animal units and forage availability. Start date, ending date, or pasture rotation can be adjusted to meet AUM goals. The lessee's need to adjust herd size may be allowed, with the understanding that larger groups will increase the frequency of herd rotation to ensure overgrazing and resource degradation are prevented.

2003 Actual Oxbow Ranch Herd Rotation Based on 100 AU total for Three Months

Herds are 154 yearlings, 6 bulls. If the yearling AU = .6 and a bull AU is 1.2, then calculations are made with the assumption that 1 bull = 2 yearlings.

Pasture #	Pasture Name	Group	# Cattle - Yearlings	Starting Date	Ending Date	Pasture Days	# Pair-Days	AUM Consumption	Pasture AUM Value
8	Lower Historic	1	83	1-Jun	17-Jun	16	796.8	26	57
6	Upper Historic	1	83	18-Jun	8-Jul	20	996	32	46
1	Corner Creek	1	83	9-Jul	20-Jul	11	547.8	18	48
7	Lower Granite Boulder	1	83	21-Jul	10-Aug	20	996	32	89
11	Coyote Bluffs	1	83	11-Aug	31-Aug	20	996	32	138
10	North Finger	2	83	2-Jun	20-Jun	18	896.4	29	43
2	Ragged Creek	2	83	21-Jun	10-Jul	19	946.2	31	54
3	Ruby Creek	2	83	11-Jul	5-Aug	25	1245	41	136
4	West River	2	83	6-Aug	15-Aug	9	448.2	15	28
7	Lower Granite Boulder	2	83	16-Aug	31-Aug	15	747	24	89

Total		281	698
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C. Monitoring and Reporting: Livestock grazing activities will be closely monitored by CTWSRO staff to ensure resource goals and grazing objectives are achieved. At the conclusion of the 2003 grazing period, CTWSRO staff will:

- Provide a written report to the Natural Resources General Manager detailing pasture utilization and AUM's consumed from each.
- Grazing recommendations for the 2004 grazing season including pasture rotational plan, recommended improvements, stocking recommendation, and
- Coordinate income statements and land use reporting with the Assessor's Office, John Day Oregon.

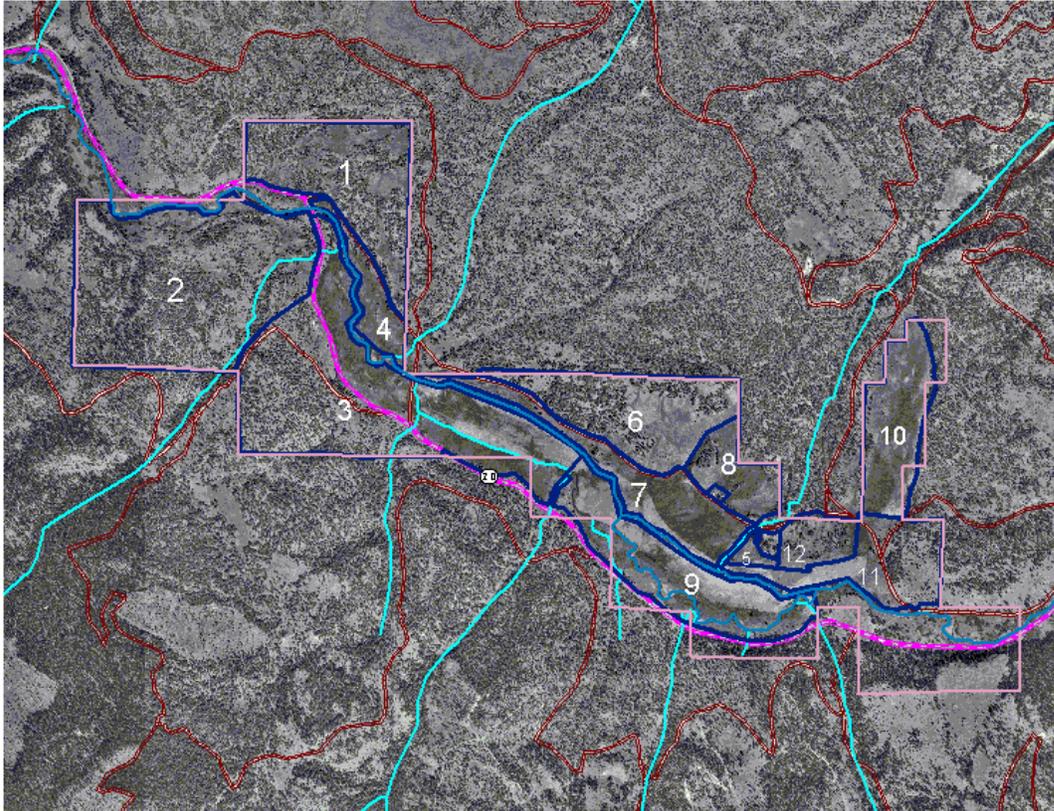
4. **GRAZING LAND IMPROVEMENTS:** It is the policy of the CTWSRO to encourage the construction of improvements necessary for the proper management of livestock and the utilization of the grazing land. However, the cost of such improvements will be borne by the Lessee unless provided for in the lease. The lessee shall perform reasonable maintenance of all improvements on the land in a manner acceptable to the CTWSRO Natural Resources General Manager or his duly authorized representative.

Improvements constructed by the Lessee during the life of the lease may not be removed without the consent of the CTWSRO Natural Resources General Manager or his duly authorized representative.

5. **GRAZING MANAGEMENT STIPULATIONS:** It is the policy of the CTWSRO to ensure that all Trust lands are grazed in such a manner as to provide protection, enhancement, and proper utilization of all resources. Therefore, the Lessee, under the

terms of this lease agreement, shall:

- A. **Salt Placement** - Salt or Mineral Blocks shall be placed in such a manner that salt is at least 1/8-1/4 mile away from existing streams or riparian zones.
- B. **Streamside Areas** - Livestock grazing is to be limited along the John Day River to coincide with the carrying capacities as detailed in this grazing management plan. Riparian protection is essential on these lands.
- C. **Noxious Weed Control** - Lessee will be responsible for reporting any known noxious weed infestations on a regular basis to the lessor.



Oxbow Pastures



-  Middle Fork John Day River
-  Oxbow Boundary
-  Pastures
-  Oxbow creeks
-  Primary roads
-  Secondary Roads

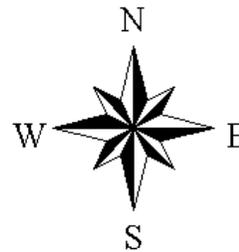


Figure 2. Oxbow Pasture Map
