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Northwest Power and Conservation Council Regional Coordination Forum Notes May 23, 2023

ATTENDEES:

Ann Gravatt – Council staff
Art Martin (ODFW)
Ben Blank (WDFW)
Cathy Kellon – Council staff-OR
Charlene Hurst (WDFW)
Charles Brushwood (CCT)
Chris Read (BPA)
Dan Rawding (WDFW)
Dennis Daw (USRT)
Erik Merrill – Council staff
Erin Kuttel (USFWS)
Greg Sieglitz (NOAA)
John Powell (IDFG)
John Shurts – Council staff
Kendra Coles – Council staff
Kerry Berg – Council staff-MT
Kris Homel – Council staff

Kyle Hanson (USFWS)
Laura Gephardt (CRITFC)
Laura Robinson (UCUT)
Lawrence Schwabe (CTGR)
Leslie Bach – Council staff
Louie Pitt – Council-OR
Lynn DuCharme (CSKT)
Mark Fritsch – Council staff
Matt Boyer (MTFWP)
Maureen Hess – Council staff
Mike Milburn – Council-MT
Patty O'Toole – Council staff
Sara Mounts – Council staff-WA
Scott Donahue (BPA)
Scott Hauser (USRT)
Tom Iverson (YN)
Tucker Jones (ODFW)

AGENDA:

10:00 AM (PDT)	Welcome and Introductions
10:25 AM – 12:00 PM	Topics to discuss below
<ol style="list-style-type: none">1. Follow up discussion of future project review process2. Update on Governors Report and future reporting discussion3. Discussion on flat funding4. Other topics if time allows	
11:55 AM	Wrap up and schedule next meeting

Welcome and Introductions

Chair Mike Milburn (MT) - opening remarks and welcome.

Maureen Hess - agenda, logistics.

Patty O'Toole - welcome remarks and introduction of Council and staff.

Maureen facilitated role call introductions:

Regional Coordination Entities present: Columbia River Intertribal Fish Commission, Confederated Salish and Kootenai Tribes, Confederated Tribes of the Colville Reservation, Confederated Tribes of the Grand Ronde, Idaho Department of Fish and Game, Montana Fish and Wildlife & Parks, Oregon Department of Fish and Wildlife, Upper Columbia United Tribes, Upper Snake River Tribes, Washington Department of Fish and Wildlife, Yakama Nation
Also: US Fish and Wildlife Service, National Marine Fisheries Service, Bonneville Power Administration

Regional Coordination Entities not present: Coeur d'Alene Tribe, Confederated Tribes of Siletz Indians, Confederated Tribes of the Umatilla Indian Reservation, Confederated Tribes of the Warm Springs, Cowlitz Indian Tribe, Kalispel Tribe of Indians, Kootenai Tribe of Idaho, Nez Perce Tribe, Spokane Tribe of Indians

Agenda item 1. Follow up discussion of future project review process

This agenda item was covered in detail at the April RCF meeting, and staff wanted to reserve a few minutes to address any remaining questions and hear additional feedback, if any. Mark reviewed and summarized the new concepts for project review linked to the desired outcomes for the review process, and next steps.

Discussion:

- Comment: Entity seeking funding for new project, and asked about how that might be covered through the project review process described.
 - Response: The concepts for the next project review, as presented, apply only to current active and ongoing projects. Pathway for new projects may be considered through the Budget Oversight Group (BOG) or via portfolio management within current funding of an entity's projects with Bonneville. A presentation to Council to highlight the work and share information might be useful. Council staff to follow up with entity on further details.
- Comment: Question about whether the review would ask if projects contained new tasks or objectives.
 - Response: Yes, this would be part of the implementation check-in on all active and ongoing projects.
- Comment: Reach out to Mark (mfritsch@nwcouncil.org) and Maureen (mhess@nwcouncil.org) with any additional questions or feedback.

Agenda item 2. Update on Governors Report and future reporting discussion

Kris provided an overview of the cost report, current status of reporting, and potential changes in the future. Discussion covered how the region uses the report, what changes could be made, etc.

- Comment: It is critical to have access to the information in the report. The summary tables are useful, it's the only way we have to hold Bonneville accountable to understand spending and what's collected from ratepayers. Confusion between costs and expenses - Bonneville collects 25% of their rates for fish and wildlife; however, we can see they're only spending about 18%. The integrated program review is also where Bonneville provides their projections for costs. This is helpful in engaging in the process to track expenditures.
- Comment: Comment: Struggles with how projects have been categorized in the report. Which projects are grouped into the different bins? Without that information doesn't find some reporting and graphics particularly helpful; refinements are needed. Want to understand which projects are being allocated to which category, how much funding goes toward which entities – support for cross-walking this effort with the Purpose and Emphasis project mapping work that project review process identified.
- Comment: Similar to mapping projects to Purpose and Emphasis, is there a way to do that to the Strategies in the Program?
 - Response: Staff have attempted mapping projects to the strategies; however, it's challenging because projects map to multiple strategies (not as clean as understanding what type of work the projects are focused on, i.e., purpose/emphasis).
- Comment: Would like better understanding of revenue relative to costs, more context around numbers and what we get for the money invested. Recommend including a summary figure on cost of F&W vs the revenue BPA collects.
- Comment: General support on the importance of generating the cost report and recommend creating a smaller workgroup to identify key elements to continue reporting, format, and information availability.

Agenda item 3. Discussion on flat funding

Patty summarized Program growth, and complexities in understanding funding changes over time. For example, the Council staff have observed that different entities experience “flat” funding differently: Accord entities have inflation built into their accords and have the ability to move funds within their portfolio of projects, which has allowed these projects some ability to adapt to rising inflation. Some Accord projects are flat-funded because of internal decisions. Non-accord parties do not have inflation adjustments provided and while some can manage their funding of projects as a portfolio, flat funding with increasing costs has meant reducing or even eliminating whole projects. Other non-accord projects are not allowed to manage their projects as a portfolio, thus have no ability to address rising inflation. Also, a major challenge at the Council is getting focused, accurate, timely implementation and funding information - What decisions are being made, how are they made, how do they relate to the Council's program?

- Comment: Asset management discussion at last week's Council meeting provided a good example of this issue – The required non-recurring maintenance needs at hatcheries cannot be addressed under flat funding. The list of broken items has only increased, Bonneville identified \$50M in RDC funding for one-time non-recurring maintenance needs. It will only barely scratch the surface of the needs, there's no discussion on increasing the O&M budgets into the future.
 - Comment follow up – a key principle in the asset management strategic plan is the adequacy of annual O&M budget. We still need to find a mechanism for non-recurring maintenance (large items that can't be addressed through annual O&M).
- Comment: At or below the rate of inflation does not mean “no inflation.” BPA is not allowing any inflation at all.
- Comment: As an Accord party, it's possible to address some of the flat funding issue by re-prioritizing projects at our discretion. Since Council doesn't recommend budgets for the Program and projects, there is a loss of accountability at BPA to make sure there is sufficient funding to meet F&W program goals and objectives.
- Comment: Want to come away today with “some sort of direction or coordinated approach toward addressing flat funding.”
- Comment: Example of a project: Currently doing half of the work that the project used to do. During the project review process, the Statement of Work was re-built to reflect the original intended scope of work for the project, which met scientific review criteria, Council reviewed and approved the project. The funding did not come through as reviewed and recommended.
- Comment: Interested to know how others are dealing with flat funding situation. Entity has had a flat-funded portfolio since 2018 and attempted to control costs by adjusting projects and reducing scope of work to address flat funding. The list of projects that have been eliminated is not short. Had to cut ~\$750k from program annually to account for base level personnel increases (PERS, benefits, COLA), etc. Even with the one-time 4.4% increase in FY24, inflation projections indicate additional cuts will have to happen in 2025.
- Comment: Expressing similar frustrations. Entity hasn't seen any meaningful adjustments for a long time. Scope of work is reduced by 30% or more because of inflation, and the work being done has been reduced while administrative costs have only increased. It is unclear how the 30% reduction in work can keep pace with being able to meet the goals of the Council's F&W Program. Need larger discussion on this.
- Comment: Early action items identified in 2010 on RM&E have been affected by flat funding. Question is that administrator identified additional 9% funding that would be going into the program. How does this relate to 4.4% bump in 2024 and long-term flat funding? Also interested to know how this flat funding affects BiOp implementation. Moving into 2023 and beyond, Jason said picking up inflation issue. BPA Strategic plan was for a five-year period 2018-2023. Is there going to be a new strategic plan developed that incorporates

these funding issues? Noted that entity is planning a report of action agencies accomplishments in 2025.

- Comment: Suggestion to put together a coordinated summary memo that outlines the challenges across the entities impacted by flat funding and reduced implementation capacity that different agencies can sign on to. It also seems like there is limited funding available to take on new work (e.g., avian predation, other non-native species in reservoirs, climate change). Also a suggestion to consider teeing this issue up via presentation(s) at future Council meetings.

Agenda Item 4: Other topics if time allows and next RCF

One member supported holding another in-person RCF meeting in the Fall 2023, another member supported either Fall or next Spring 2024 with comments for additional agenda items:

- Strategy Performance Indicators and reporting discussion: how might managers use the information to inform the next Program amendment.
- Re-visit the Tributary Habitat RM&E strategy discussion above.
- Interest in using the RCF to have productive work sessions.

Patty – thank you and closing remarks.