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January 30, 2024

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Mark Fritsch

SUBJECT: Update on Operation and Maintenance Subcommittee meeting

BACKGROUND:

Presenter: Mark Fritsch

Summary: Council staff will provide an overview of the [Asset Management Strategic Plan](#) (Plan) and provide a brief update on the Operation and Maintenance Subcommittee (Subcommittee)¹ meeting held on January 25th. Timelines and expectations will be provided for the Plan's annual process and for integrating two important funding sources: (1) the FY 2022 reserves distribution clause (RDC) funds, and (2) funds from BP-24 Rate Case (BP-24) and their integration with the existing \$500,000 Asset Management Placeholder for fish screens and hatcheries. The purpose of this effort is to address non-recurring maintenance needs for past fish and wildlife investments for Program hatcheries and screens.

Relevance: The 2014 Fish and Wildlife Program (Program), includes an investment strategy (Part Six, Section II; and Appendix P). Specifically, "...*long-term maintenance of the assets that have been created by prior program investments...*" is ranked the highest emerging priority in the Program.

¹ Represented by Council member Ed Schriever and Jason Sweet (Executive Manager, Fish and Wildlife Division, Bonneville).

In response the Asset Management Strategic Plan was collaboratively developed with Bonneville to address non-recurring maintenance needs for hatcheries, fish screens, and mitigation lands to ensure longevity and integrity of the Program's past investments made for the benefit of fish and wildlife. That Plan was approved by the Council on October 10, 2018.

Workplan: Fish and Wildlife Division Work Plan; program Implementation; implement the asset management strategic plan.

Background: Since the adoption of the 2014 Fish and Wildlife Program in October 2014, Council staff has worked with Bonneville staff, asset management subcommittee, Independent Economic Analysis Board, fish screening oversight committee (FSOC), fish and wildlife managers, cost savings workgroup, and independent contractors to develop a strategic plan to ensure the longevity and integrity of the Program's past investments.

The Plan² was adopted by the Council in 2018 and complements Bonneville's strategic asset management plans (SAMPs) which were first generated in 2020 for hatcheries, lands and fish screens.

As part of the Plan's phased development, hatchery site visits and assessments were completed³ to create a list of non-recurring hatchery needs. Fish screens assessed and prioritized for improvements were compiled and provided by fish and wildlife managers and the FSOC.

Lands, acquired and managed under the Fish and Wildlife Program, in contrast to the other asset categories, not affected by "age" as applied to structural assets have been assessed by Bonneville internal SAMPs. Currently, the [budget oversight group](#) (BOG) process is the primary tool to address non-recurring wildlife lands needs that are not part of stewardship or settlement funds and/or annual maintenance budgets.

All Program investments need adequate annual operations and maintenance budgets, but lands projects depend entirely on the adequacy of their annual budgets for critical operations and maintenance. Due to flatlined funding over the past decade, there may be a need in the near future to revisit the Plan to ensure the integrity of land investments in the Fish and Wildlife Program.

In 2022, Bonneville updated their SAMPs⁴. In addition, as outlined in the Plan, at five-year intervals, the hatchery assessments were updated by an

² The Plan was developed in the following 4 phases for the Program's past investments (Phase 1: Asset Inventory; Phase 2: Condition Assessment; Phase 3: Prioritization and Phase 4: Strategic Planning).

³ In 2017 assessments for the Program's 14 hatcheries was completed by HDR, McMillen and Bonneville engineers.

⁴ This is a revision to the 2018 plans.

independent engineering firm (Four Peaks Environmental Science & Data Solutions) to confirm and update major assets for the [Program's hatcheries](#). This exercise was completed in January 2023 and evaluated 37 existing facilities and 3 new facilities (i.e., Melvin R. Sampson Fish Hatchery, Walla Walla Hatchery, and the Bonneville Hatchery Captive Brood Building).

In 2023 the Subcommittee addressed the integration of the FY 2022 RDC funds and the Plan's \$500,000 Asset Management Placeholder. As part of the annual process discussion, it was decided that the annual \$500,000 placeholder be used with the BP-24 funds for the non-recurring needs associated with the Program's fish screens. In addition, \$25 million of FY 2022 RDC funds would be allocated towards the Program's hatcheries. On June 14, 2023, the Council supported the findings of the Asset Management Subcommittee and Fish and Wildlife Committee for nonrecurring maintenance for the Program fish screens and hatcheries in FY2024 at \$1,607,300 and \$23,356,074, respectively.

On January 25, 2024, the Subcommittee met to discuss the Plan's annual process and continued integration of FY 2022 RDC and BP-24 funds.

Contracts associated with last year's decision, using the FY 2022 RDC funds, for Program hatcheries are proceeding with implementation and expectations are that the needs as identified in 2023 will all be contracted soon for implementation in FY 2024 and FY 2025. Based on this understanding, the essential needs identified in the hatchery assessments are currently being addressed. That said, there will be a notice sent to the hatchery managers to ensure nothing new has arisen since the last assessment and decision.

For the Program's fish screens non-recurring maintenance there is \$2.7 million available from the BP-24 funds that can be spent in FY 2025. Council and Bonneville staffs over the next couple of months will review priorities needs for FY 2025, received from the managers, and review relationship and capacity to annual project and/or portfolio budgets, confirm total costs, determine if permitting and environmental review is needed.

Also discussed at the Subcommittee meeting was the announcement from Bonneville that \$30 million from the FY 2023 RDC would be provided to address, *on an accelerated, one-time basis, certain non-recurring maintenance needs of existing fish and wildlife mitigation assets that (i) Bonneville anticipates would otherwise need to be addressed during future rate periods and (ii) will result in avoidance of those costs in future rate*

*periods*⁵. To date, the distribution of the FY 2023 RDC funds has not been determined for past fish and wildlife investments (i.e., hatcheries, screens and lands), but remains available as needs arise.

In May staff will provide an update on the 2024 decisions associated with the Program's hatcheries and screens, 2025 priority fish screen needs, and the status of FY 2023 RDC funds.

More Info:

- Resource maps for the Fish and Wildlife Program's [Hatcheries](#), [Screens](#) and [Lands](#).
- [2014 Fish and Wildlife Program](#) (Part Six, Section II, page 114; and Appendix P, Maintenance of Fish and Wildlife Program Investments, page 199).

⁵ The term "mitigation assets" are those that Bonneville determines (a) have resulted in tangible and measurable benefits or improvements for fish and wildlife, and (b) are directly related to mitigating for the effects of the construction or ongoing operation of the Federal Columbia River Power System projects.

Update on Operation and Maintenance Subcommittee Meeting

Asset Management Strategic Plan

February 2024



Northwest **Power** and
Conservation Council

Background

- Substantial investments through the Council's Fish and Wildlife Program for the past 40+ years.
- Long-term maintenance the highest priority in the 2014 Program - Emerging Priorities.
- Provide the ability to address non-recurring maintenance needs.
- Hatcheries, Screens and Lands
- Infrastructure remains properly functioning and will continue to benefit the fish and wildlife in the basin.

Asset Management Strategy Plan

- Phase 1: Inventory
 - define scope and scale for each category
- Phase 2: Condition and Needs Assessment
 - Safety, compliance and condition
- Phase 3: Criteria for Prioritization
- Phase 4: Strategic Planning
 - Planning, funding and implementation

Strategic Planning and Oversight

- O&M Subcommittee
- F&W Managers
 - Fish Screen Oversight Committee
 - Program Hatchery Managers
- Contractors and Consultants (i.e., Engineers and QW Consulting, LLC)

Annual Process

- January - request priorities from sponsors and managers
- February to April - review priorities received
- April - discussion and confirmation of priorities
- May - Fish and Wildlife Committee discussion and recommendation to Council.
- June - Council decision and recommendation to Bonneville

Asset Management Strategic Plan and Strategic Asset Management Program

- Asset Management Strategic Plan (Plan) approved 2018
 - address non-recurring maintenance needs to ensure the longevity and integrity of the Program's past investments made for the benefit of fish and wildlife (hatcheries, fish screens, lands)
 - Implementation is guided by the Asset Management Subcommittee
 - Phased developed
 - Dependent on condition assessments and priority needs
 - Annual Process to inform upcoming start-of-year budgets
 - Annual \$500,000 Asset Management Placeholder
- BPA Strategic Asset Management Plans (SAMPs)
 - Updated biennially to support the Integrated Program Review (IPR) cycle
 - Convert the objectives of the agency strategic plan and asset management policy into a long-term strategic approach to managing asset systems
 - Describes long-term objectives and strategies, asset criticality, risk assessments

BPA's Reserves Distribution Clause (RDC) and BP24

- Power Services FY22 financial performance triggered a RDC
 - Bonneville's Administrator allocated \$50M to address non-recurring maintenance needs at existing fish & wildlife assets
 - \$25M to LSRCF hatcheries, \$25M to EFW hatcheries
- Rate case funds from BP24 available to supplement the Asset Management Placeholder for the Programs fish screens.