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January 7, 2025

DECISION MEMORANDUM

TO: Council Members

FROM: Mark Fritsch

SUBJECT: Council Decision: Asset Management Strategic Plan screen priorities for
FY2025-FY2027

PROPOSED ACTION: Recommend to Bonneville that it implement the request for nonrecurring maintenance for Fish and Wildlife Program (Program) fish screens in fiscal year (FY) 2025 through 2027 at \$16,570,007 with a contingency of \$2,429,993 totaling \$19 million as recommended by the Asset Management Subcommittee.

SIGNIFICANCE: 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. In response an [Asset Management Strategic Plan](#) (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.

BUDGETARY/ECONOMIC IMPACTS

Previous actions associated with the Plan have been implemented with funds from varying budgetary sources including the cost savings budget placeholder¹, the Asset Management budget placeholder², rate case funds from BP-24, and FY 2022 Reserve Distribution Clause (RDC)³ funds. Actions proposed for screens for FY 2025 - 2027 would be addressed with FY 2023 RDC funds.

BACKGROUND

Shortly after the adoption of the 2014 Fish and Wildlife Program in October 2014, the Council initiated work on the development a strategic plan⁴ to ensure the longevity and integrity of the Program's past investments. This work, guided by the Asset Management Subcommittee (Subcommittee) was a collaborative between Bonneville, the Independent Economic Analysis Board, fish screening oversight committee (FSOC), fish and wildlife managers, and the cost savings workgroup.

Hatchery site visits and assessments were completed in 2017 for the Program's 14 hatcheries and fish screens assessed and prioritized for improvements were compiled and provided by fish and wildlife managers and the FSOC.

On October 10, 2018 the Council approved the [Asset Management Strategic Plan \(Plan\)](#) for implementation. It is important to note that the Plan complements Bonneville's strategic asset management plans (SAMPs)⁵ which were also generated in 2018 for hatcheries, lands and fish screens. It is also important to note that mitigation lands, acquired and managed under the Fish and Wildlife Program, in contrast to the other asset categories, are not affected by "age" are assets that have been assessed by Bonneville internal SAMPs. At the time of the Plan's approval it was anticipated that the [budget oversight group](#) (BOG) process would be the primary tool to address non-recurring wildlife lands needs that are not part of stewardship or settlement funds and/or annual maintenance budgets. The BOG process has been under revision for several years and may not be the forum in the future for addressing the non-recurring maintenance needs as was anticipated in the Plan. The Subcommittee did not receive any requests for non-routine, non-recurring maintenance for wildlife lands for the FY25 budget cycle.

In addition, another key principle of the Plan is that Program investments need adequate annual operations and maintenance budgets to ensure the goals and objectives associated with the investments are met.

¹ Funds derived from cost saving were from existing projects that had decreasing expenditures or were closing out (FY 2016 – 2019).

² In 2022 the \$500,000 Asset Management Placeholder was subsumed by the BP24 IPR totaling \$2.7 million for the 2024-2025 rate period.

³ FY 2022 RDC funds previously prioritized in 2023 for non-routine hatchery maintenance continue to meet the program's hatchery needs through FY 2027.

⁴ The Asset Management Strategic 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).

⁵ The SAMPs are update biannually and continue to leverage the Council's Plan.

Please see **Attachment 1** for additional background and detail record of how the Plan was implemented and funded from 2014 through 2024. While detailed, the staff believes it is important to document this history, and it is important background for the January decision.

Screen Priorities request for FY2025-FY2027

In anticipation of FY2026 needs and with the support of additional funds for nonrecurring maintenance, a Subcommittee meeting was held on September 28, 2024. Bonneville was able to allocate \$19 million from FY23 RDC funds would be available to supplement the Program's screen programs, similar to how they were used for the Program's hatcheries in 2023. To ensure these funds can be implemented by the end of FY 2027, and to take advantage of the assessment at the screen fabrication shops⁶, it was necessary to initiate the annual process earlier than usual. Additionally, the notice to the managers would emphasize not only screen priorities but also the facility and equipment needs.

As part of the Subcommittee discussion, it was confirmed that the FY 2022 RDC funds, which were previously prioritized for non-routine hatchery maintenance, continued to meet the Program's hatchery needs (**Table 1**).

In early October, staff sent notices to the Program's screen managers requesting nonrecurring maintenance, facility, and equipment priorities for FY 2025 – FY 2027. In November and December, staff reviewed the priorities submitted by the managers, and on December 6, 2024, presented the information to the Subcommittee.

Nearly \$30 million in requests were received from the screen managers for IDFG, ODFW, WDFW, MTFWP, and CTUIR for the FY 2023 RDC funds. This amount included seasonal time for implementation, grant cost-share funds, and a geographic expansion for new screens totaling \$9,240,151. These requests fell outside the intended use of funds for nonrecurring maintenance but highlighted potential options for future funding.

During the December 6th Subcommittee meeting, the need to meet the \$19 million allocation was discussed. Staff presented the information received from the managers by category and priority. The Subcommittee agreed that the highest priority should be the screens and materials followed by facility and equipment needs (e.g., repair, replacements and additions).

To ensure effective cost management of the allocation and to utilize the information from the screen shop assessments the remaining balance (after funding the screens and screening materials) would be held as a contingency. This approach would allow for verification of the estimates received regarding the facility updates and equipment replacement. This refinement of some facility and equipment needs and costs will assist in addressing as many of the high priority items received as possible. In addition, this approach would allow for contracting to be awarded

⁶ As part of the FY 2025 recommendation the Subcommittee (April 2024) requested that an independent assessment of the Program's five screen fabrication facilities in FY 2025 be conducted. It is anticipated that the assessments will be completed by the end of the third quarter of FY 2025

for the screens (which typically have a longer procurement timeline for completion) and screen materials. The remaining balance of the allocation be awarded as confirmed through the assessments in a timely manner to ensure the allocation is spent by the end of FY 2027.

Based on this the Subcommittee requested that \$16,570,007 with a contingency of \$2,429,993 totaling \$19 million be presented to the Council for their decision at the January 2025 meeting **(Table 2)**.

Table 1: Fiscal Year 2022 RDC update for priority actions for fish hatcheries (FY2024 through FY2027).

Sponsor	Status	Award Value	Anticipated Contract Amendments	Invoiced to Date (12/6/24)	Percent Invoiced of Contract Value
Colville Tribe	Awarded	\$1,701,089	-	\$715,291	42%
IDFG	Awarded	\$931,441	-	\$11,150	1%
MFWP	Awarded	\$12,026	-	-	0%
Nez Perce Tribe	Awarded	\$2,005,535	\$5,000,000	\$109,556	5%
Spokane Tribe	Awarded	\$1,171,995	-	-	0%
Westland Irrigation District	Awarded	\$336,470	-	\$100,136	30%
Yakama Nation	Awarded	\$569,316	\$300,000	-	0%
CTUIR	Awarded	\$3,404,540	-	\$216,045	6%
Warm Springs Tribe	Awarded	\$262,524	-	-	0%
Kootenai Tribe	Awarded	\$2,364,189	\$1,000,000	\$61,881	3%
WDFW	Awarded	\$403,661	-	\$3,663	1%
ODFW	Awarded	\$4,550,000	-	-	0%
Alaska Energy (chiller support) for Umatilla Hatchery	In Development	\$500,000	-	NA	NA

Total	\$24,512,786
FY22 F&W RDC Allocation	\$25,000,000
Delta	\$487,214

Table 2: Nonrecurring maintenance needs for the Fish and Wildlife Program's screens, fabrication facilities and equipment priorities. These requests will be implemented from FY 2025 through FY 2027, as supported by the Asset Management Subcommittee.

Entity	Category	Description (examples)	Request	Recommended
IDFG				
	Screens	2 complete replacements	\$3,610,000	\$3,610,000
	Materials	Perf plate, angle steel, gear boxes etc.	\$100,000	\$100,000
	Facilities	Additions. office refurbishment, enclosures	\$1,827,500	\$1,455,000
	Equipment	Dump truck, pinch roller, compressor, snowplow, etc.	\$398,125	\$342,850
	Total for IDFG		\$5,935,625	\$5,507,850
ODFW				
	Screens	4 complete replacements, 1 component upgrades	\$490,000	\$490,000
	Materials	Perf plate, steel, bearings etc.	\$1,300,000	\$1,300,000
	Facilities	Paving, office refurbishment, HVAC, etc.	\$1,425,000	\$670,000
	Equipment	Dump truck, skid steer, plasma table, band saw, etc.	\$2,239,000	\$1,425,000
	Other ⁷	NA	\$4,025,405	\$0
	Total for ODFW		\$9,479,405	\$3,885,000
WDFW				
	Screens	5 complete replacements	\$2,190,077	\$2,190,077
	Materials	Perf plate, tubing, screen cloth, gear boxes, etc.	\$213,980	\$213,980
	Facilities	Shop additions	\$2,200,000	\$1,725,000
	Equipment	Boom truck, flatbed, trailers, lathe etc.	\$2,821,900	\$1,908,100
	Total for WDFW		\$7,425,957	\$6,037,157
MFWP ⁸				
	Screens	New and replacements in the Clark Fork	\$5,214,746	\$0
	Materials	NA	\$0	\$0
	Equipment	NA	\$0	\$0
	Total for MFWP		\$5,214,746	\$0
CTUIR				
	Screens	3 complete replacements, 6 repairs	\$1,140,000	\$1,140,000
	Materials	NA	\$0	\$0
	Equipment	NA	\$0	\$0
	Total for CTUIR		\$1,140,000	\$1,140,000
Total \$29,195,733				\$16,570,007
FY 2023 RDC Allocation				\$19,000,000
Contingency				\$2,429,993

⁷ ODFW request includes \$2,025,405 in salaries for seasonal help, and \$2,000,000 grant funds for cost sharing.

⁸ MTFWP request was outside the geographic scope of their ongoing projects and include critical needs for Clark Fork Subbasin. It is important to note that Montana has no dedicated fish screen funding or state-run screening shops to design, implement, install, or maintain fish screens. Implementation of projects typically requires non-governmental organizations to lead efforts. To date, the Program's efforts to address fish screening needs have been in the Kootenai and Flathead subbasins focusing on native Westslope Cutthroat Trout and Bull Trout.

Attachment 1. Background and detail associated with the development and implementation of the Asset Management Strategic Plan, 2014 to 2025.

Shortly after the adoption of the 2014 Fish and Wildlife Program, The Council initiated work on the development of a strategic plan.

Hatchery site visits and assessments were completed in 2017 for the Program's 14 hatcheries by HDR, McMillen and Bonneville engineers to create a list of non-recurring hatchery needs. Initial recommendations were based on mission critical elements⁹ identified during the hatchery site visits and assessments and were addressed in 2017 either through securing program budget savings (i.e., cost savings) from Program projects that had decreased expenditures or through Accord funds¹⁰.

Fish screens assessed and prioritized for improvements were compiled and provided by fish and wildlife managers and the FSOC. For Fiscal Year 2018 the asset management effort utilized \$474,000 in cost savings to address essential maintenance and improvement needs for hatcheries and priority non-recurring maintenance needs associated with the Program's fish screens.

On March 14, 2018, the Council supported the recommendations of the Subcommittee and Fish and Wildlife Committee to use cost savings for priority nonrecurring maintenance needs in FY2019 and FY2020 at \$589,386 and \$497,475, respectively, for non-routine maintenance for fish screens and hatcheries.

On October 10, 2018 the Council approved the [Asset Management Strategic Plan \(Plan\)](#) for implementation. Though the near-term funding options were defined in the Plan, discussions with Bonneville needed to explore and establish a long-term funding strategy for the Plan. From these discussions an annual funding amount was secured from a Budget Oversight Group (BOG) placeholder starting in FY 2021 at \$250,000, and through securing savings from Program projects at \$250,000. This total amount of \$500,000 was defined as the Asset Management placeholder and was incorporated into Bonneville's annual budgeting process.

The Plan adopted by the Council in 2018 complements Bonneville's strategic asset management plans (SAMPs)¹¹ also generated in 2018 for hatcheries, lands and fish screens.

Also noted in the Plan, Program investments need adequate annual operations and maintenance budgets to ensure the goals and objectives associated with the investments are met.

⁹ These are items that have either already failed, or failure is considered to be imminent, and failure has a direct negative effect on the ability of the facility to perform its mission

¹⁰ On January 10, 2017 in an effort to address some of the mission critical elements, found during the initial hatchery assessments, the Council recommended to Bonneville \$200,000 to initiate action in Fiscal Year 2017. This decision resulted in \$115,000 in cost savings funds utilized and the remainder of the items addressed through Accord funds.

¹¹ The SAMPs are update biannually and continue to leverage the Council's Plan.

Mitigation lands, acquired and managed under the Fish and Wildlife Program, in contrast to the other asset categories, are not affected by “age”, are structural assets that have been assessed by Bonneville internal SAMPs. At the time of the Plan development it was anticipated that the [budget oversight group](#) (BOG) process would be the primary tool to address non-recurring wildlife lands needs that are not part of stewardship or settlement funds and/or annual maintenance budgets. The BOG process is in need of updating and has been under revision for several years and is not currently addressing the non-recurring maintenance needs as was anticipated.

On June 17, 2020 the Council confirmed the findings of the Subcommittee and Fish and Wildlife Committee for non-routine maintenance for fish screens and hatcheries for FY2021 at \$397,000 and \$104,500, respectively

On May 5, 2021 the Council confirmed the findings of the Subcommittee and Fish and Wildlife Committee for non-routine maintenance for fish screens and hatcheries for FY2022 at \$255,000 and \$239,094, respectively

On June 14, 2022, the Council confirmed the findings of the Subcommittee and Fish and Wildlife Committee for non-routine maintenance for fish screens and hatcheries for FY2023 at \$231,380 and \$268,620, respectively.

In 2022, Bonneville as part of their updated SAMPs determined a need to refresh the hatchery assessments¹² on a biannual schedule to confirm and update major assets for the [Program’s hatcheries](#). This exercise was completed in January 2023 and evaluated the 14 Program hatcheries and the associated facilities and 2 new hatcheries (i.e., Melvin R. Sampson Fish Hatchery, Walla Walla Hatchery), and the existing Bonneville Hatchery Captive Brood Building.¹³

In 2023 the integration of Bonneville’s FY 2022 Reserve Distribution Clause (RDC) funds and the Plan’s \$500,000 Asset Management Placeholder occurred. As part of the annual process discussion, the Subcommittee decided that the annual \$500,000 placeholder would be subsumed by new rate case funds from BP-24 for the non-recurring needs associated with the Program’s fish screens¹⁴. 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 Subcommittee and Fish and Wildlife Committee for nonrecurring maintenance for the Program fish screens, facilities/equipment, 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,

¹² The Plan outline assessments on a five-year interval.

¹³ These assessments are being conducted by an independent engineering firm (Four Peaks Environmental Science & Data Solutions). Currently they are conducting the 2024 assessments.

¹⁴ As part of the discussion, staff presented a need to conduct assessments for the five fabrication shops, similar to what was done for the hatcheries, that construct and maintain the majority of screens in the Program. Also mentioned was a need for essential equipment for the screen implementors.

using the FY 2022 RDC funds, for Program hatcheries are proceeding with implementation and expectations are that the needs as identified in 2023 will be utilized by the end of FY 2027. Based on this understanding, the essential needs identified in the hatchery assessments are being addressed. For the Program's fish screens there are \$2.7 million available from the BP-24 funds that can be spent in FY 2025 for non-recurring maintenance.

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*¹⁵. At the time of the subcommittee meeting, the distribution of the FY 2023 RDC funds had not been determined for hatcheries, screens and lands.

In March and April, the staff reviewed the current screen and facilities/equipment priorities. On April 16th staff met with the Subcommittee to provide an overview of the fish screens priorities for implementation in Fiscal Year 2025. The Subcommittee recommended these priorities be presented to the Fish and Wildlife Committee at the May meeting. In addition to these priorities the Subcommittee also requested that an independent assessment of the Program's screen fabrication facilities in FY 2025 be conducted.

On June 12, 2024, the Council supported the recommendation of the Subcommittee and Fish and Wildlife Committee for screens in FY2025 at \$1,840,082.

¹⁵ 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.

Asset Management Update and Funding Priorities for FY 2025 – FY 2027

January 2025

Asset Management Strategic Plan and Strategic Asset Management Program

NPPC 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 development
- Dependent on condition assessments (independent engineers and facility managers) and priority needs
- Annual Process to inform upcoming start-of-year budgets - altered by RDC and BP24 (IPR) timeframes
- Established an annual \$500,000 Asset Management Placeholder – integrated and subsumed by RDC and BP24 (IPR) funds

BPA Strategic Asset Management Plans (SAMPs) initiated for hatcheries in 2018

- 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

Reserves Distribution Clause (RDC) and BP24 (IPR)

RDC Funds

- FY22 RDC - \$50M allocated to address non-recurring maintenance needs at LSRCP (\$25M) and Program (\$25M) hatcheries for FY24 - FY27
- FY23 RDC - \$19M allocated to address non-recurring maintenance for Program screens for FY25 - FY27

BP24 Funds

- Rate case funds from BP24 were identified and use in FY24 (\$1.6M) and FY25 (\$1.8M) to address non-recurring maintenance for Program screens

FY 2022 RDC Hatcheries Update

- In June 2023, based on Subcommittee recommendation, the Council agreed to support the priority actions for fish hatcheries (FY24 to FY27)
- Actions associated with the RDC are progressing

Sponsor	RDC Contract Status	Award Value	Anticipated Contract Amendments
Colville Tribe	Awarded	\$ 1,701,089	\$ -
IDFG	Awarded	\$ 931,441	\$ -
MFWP	Awarded	\$ 12,026	\$ -
Nez Perce Tribe	Awarded	\$ 2,005,535	\$ 5,000,000
Spokane Tribe	Awarded	\$ 1,171,995	\$ -
Westland Irrigation District	Awarded	\$ 336,470	\$ -
Yakama Nation	Awarded	\$ 569,316	\$ 300,000
CTUIR	Awarded	\$ 3,404,540	\$ -
Warm Springs Tribe	Awarded	\$ 262,524	\$ -
Kootenai Tribe	Awarded	\$ 2,364,189	\$ 1,000,000
WDFW	Awarded	\$ 403,661	\$ -
ODFW	Awarded	\$ 4,550,000	\$ -
Alaska Energy (chiller support)	In Development	\$ 500,000	\$ -
Terraphase (Umatilla well analysis)	In Development	\$ 30,000	\$ -

Total	\$24,542,786
FY22 F&W RDC Allocation	\$25,000,000
Delta	\$457,214

2025 Condition Assessment Screen Fabrication Shops

- Subcommittee recommended, April 2024, an independent assessment of the Program's five screen fabrication facilities in FY 2025 – modeled after the assessments conducted at the hatcheries
- Information from assessments to inform repair, replacement and additions
- The Subcommittee's highest priority of implementation is for screens and materials followed by facility and equipment needs
- Goal is to address essential and beneficial needs in priority order
- Exercise cost management for verification of estimates regarding facility and equipment needs (i.e., contingency)

FY 2025 through FY 2027 requests for nonrecurring maintenance needs for the Fish and Wildlife Programs fish screens

Entity	Descriptions	Request	Recommended
IDFG			
	<u>Screens</u> : Complete replacement of 2 screens	\$3,610,000	\$3,610,000
	<u>Materials</u> : perforated plate, steel and gear boxes	\$100,000	\$100,000
	<u>Facilities</u> : shop additions and enclosures, office updates	\$1,827,500	\$1,455,000
	<u>Equipment</u> : dump truck, pinch roller, compressor, snow plow	\$398,125	\$342,850
	Total for IDFG		\$5,507,850

FY 2025 through FY 2027 requests for nonrecurring maintenance needs for the Fish and Wildlife Programs fish screens

Entity	Description	Request	Recommended
ODFW			
	<u>Screens</u> : Complete replacement of 4 screens	\$490,000	\$490,000
	<u>Materials</u> : perforated plate, steel, bearings	\$1,300,000	\$1,300,000
	<u>Facilities</u> : 3 fabrication shops - paving, office updates, HVAC	\$1,425,000	\$670,000
	<u>Equipment</u> : dump truck, skid steer, plasma table, band saw	\$2,239,000	\$1,425,000
	Total for ODFW		\$3,885,000

FY 2025 through FY 2027 requests for nonrecurring maintenance needs for the Fish and Wildlife Programs fish screens

Entity	Description	Request	Recommended
WDFW			
	<u>Screens</u> : Complete replacement of 5 screens	\$2,190,077	\$2,190,077
	<u>Materials</u> : perforated plate, tubing, screen cloth, gear boxes	\$213,980	\$213,980
	<u>Facilities</u> : shop addition	\$2,200,000	\$1,1725,000
	<u>Equipment</u> : boom truck, flatbed. Trailers, lathe	\$2,821,900	\$1,908,100
	Total for WDFW		\$6,037,157

FY 2025 through FY 2027 requests for nonrecurring maintenance needs for the Fish and Wildlife Programs fish screens

Entity	Description	Request	Recommended
CTUIR			
	<u>Screens</u> : Complete replacement of 3 screens, and repairs to 6 others	\$1,140,000	\$1,140,000
	Total for CTUIR		\$1,140,000

Recommendation

Recommend to Bonneville that it implement the request for nonrecurring maintenance for Fish and Wildlife Program fish screens in fiscal year 2025 through 2027 at \$16,570,007 with a contingency of \$2,429,993 totaling \$19 million as recommended by the Asset Management Subcommittee.