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February 3, 2026

MEMORANDUM

TO: Council Members

FROM: Patty O'Toole, Fish and Wildlife Division Director

SUBJECT: Bonneville Environment, Fish and Wildlife Program Update

BACKGROUND:

Presenter: Jason Sweet, Executive Manager, Fish and Wildlife Program, Bonneville

Summary: Bonneville will provide an update for the Council on its Environment, Fish and Wildlife Program including department and staffing updates and a high-level look at the Program's expense and capital budgets for fiscal year 2026, along with fiscal year 2025 spending levels.

Relevance: Under the Northwest Power Act, Bonneville is to use its fund in a manner consistent with the Council's Columbia River Basin Fish and Wildlife Program. This requires close coordination between the Council and Bonneville staff to coordinate and track funding and implementation of Bonneville's Environment, Fish and Wildlife Program.

Workplan: Program Implementation: Tasks B-2, Support and track Fish and Wildlife Program implementation

Background: Bonneville, using what it calls its *direct program*, supports the Council's mitigation project-level recommendations. There are currently 316 ongoing projects that Bonneville funds, most of which have been reviewed and recommended by the Council. The Council recently began a new review cycle for these projects, starting

with projects that have acquired and manage mitigation lands (see [link](#) for information). These projects address one aspect of mitigation for the impacts of hydropower dams in the Columbia River Basin. Mitigation also occurs via the Council's Fish and Wildlife Program through the reimbursable program which includes the capital construction and operation and maintenance occurring on-site at the dams, as well as actions called for in the Program that are directly *implemented by the agencies* that manage and operate the federal and non-federal dams, such as actions related to flow management and water quality.

Bonneville's FY 2026 rate-case budget is estimated at \$301M which is a 12% increase over the FY25 budget. Bonneville's FY 2025 direct program rate-case expense budget was set at \$268M million. FY25 saw nearly 100% execution of the rate case budget. Bonneville staff will discuss implementation of last year's budget and how they plan to address budget planning moving forward, along with changes for project level budgets for FY 2026. Bonneville will also describe execution of increased non-routine maintenance budgets at Program hatcheries and other related hatcheries as well as the irrigation diversion screen program.

More info: Consistent with past practice and experience, Bonneville uses planning budgets that are higher than the forecasted spending budget because there is usually some underspending based on variable environmental conditions, permitting constraints and other legitimate reasons that occur with a large and complicated environmental mitigation program. This practice in turn ensures that overall, and across the Program, as much of the available annual program budget as possible is used for project implementation. As an example, the letter notes that the FY25 planning budget was \$302.5M which enabled 100% execution of the \$268M rate case budget. The staff is currently reviewing this information and will provide any observations to state staff and Council members.

The FY26 budget will continue to reflect ongoing efforts supporting asset management. FY26 budgets include a 2.28% inflationary adjustment for most projects. As discussed during the IPR process, expense budgets for the next three years will include inflationary adjustments that total 6.7% across the rate period. The FY26 Capital budget is \$38M, which is the largest capital budget since FY21 in-flight hatchery construction. Typically, Bonneville will provide this information with a letter to the Chair of the Council, along with more detailed information. As soon as it is received, staff will provide these materials to the Council members.

The Council staff continue to work with Bonneville to develop efficient mechanisms to track the implementation of the Council's project recommendations and the Council's Fish and Wildlife Program. The staff anticipate bringing additional information about these mechanisms to the Council for discussion in the coming months.