

Cost Savings Workgroup Notes

April 6, 2015

In attendance: Lynn Palensky, Nancy Leonard, Paul Kline, Karl Weist, Bill Maslen, Mark Fritsch, Steve Crow, Marci Foster, Bill Bradbury, Phil Rockefeller, Jennifer Anders, David Byrnes, Tony Grover, Bryan Mercier, Jim Litchfield, Kerry Berg. On phone; Tom Rien, Brian Marotz, Matt Boyer, Stacy Horton, Amy Windrope, Patty O'Toole, Tom Iverson, Jim Ruff.

Jennifer Anders chaired the meeting.

Tony Grover discussed emerging priorities on page 116 of the program:

1. Providing long term O & M (effort led by Bill Booth).
2. Adaptive Management
3. Preserving Program Effectiveness (toxics, invasives, etc.)
4. Investigate blocked area mitigation
5. Implement additional sturgeon and lamprey measures
6. Update subbasin plans
7. Improve floodplain habitats.

Bill Maslen:

Over half way through fiscal year, already contracted about 80%. So most of this year is already in motion. For 2015 we are pretty limited in what we can do. We should focus on FY 2016 and 2017.

Jennifer Anders:

Are there any new emerging priorities up for funding in 2015?

Tony Grover:

There has been significant funding in all the areas in the recent past or right now so what we are really talking about is expanding current efforts. Not easy to add in 2015 (agree with Bill Maslen). Some needs to play itself out like O & M out-year burden. It will even be up in the air as to whether or not we will be able to do anything in 2016.

Bill Maslen:

We are not suggesting lack of support for this effort just trying to be realistic in terms of the short term.

Jennifer Anders:

Sounds like 2015 may not be realistic. 2016 and beyond seems like a more realistic time to focus on.

Phil Rockefeller:

Is there a process to close projects that have run their course?

Bill Maslen:

There are currently a handful of projects described as wrapping up and a few research projects that are in the smart close out phase.

Tony Grover:

For example some ocean projects were closed. But things still had to be brought to a clean and comprehensive closure (reports, inventory of assets, etc.) and all this takes time (smart closeout).

Jennifer Anders:

Based on what I am hearing is that even if we find savings today funding the emerging priorities isn't going to happen today.

Tony Grover.

Yes, estimate is 2017 where we can realistically do this. Some shifting of funds could occur in 2016 but nothing new or dramatic.

Jennifer Anders:

Can we anticipate targeting savings for what we spend on emerging priorities?

Tony Grover:

Yes. Some initial digging indicates that we could move some level of money in 2017 and more significant amounts in 2018 and beyond and potentially do this at less than the current level of funding of the fish and wildlife program.

Tony then discussed a draft sheet that was put together to show current levels of funding of the emerging priorities and some rough estimates for 2017 and beyond.

Bill Maslen:

BPA has a couple of constraints. Accords are contract commitments....we can shift money around more effectively within those projects but those are contracts. (Tony Grover noted this doesn't apply to the sheet he put together). We are supportive of looking at something like RM & E for example as there is a lot of money involved there, but we have to work with NOAA on making sure we are meeting BiOp/ESA needs (though 2018).

Jennifer Anders:

From BPA's perspective the accords are off limits unless partners agree. This should be of some comfort to the managers in the region.

Amy Windrope:

As non accord party we are worried that we will not be treated fairly.

Bill Maslen:

We do not intend to back down on current commitments and ongoing relationships with non-accord parties.

Jennifer Anders:

Sounds like there might there be more flexibility within the BiOp projects?

Bill Bradbury:

Can you explain that further? I thought BiOp was off limits?

Bill Maslen:

We are implementing ESA obligations through projects and contracts through the Program. There are potential opportunities there because how you go about meeting those obligations is a matter of discussion. For example we have lot of RME work that we are trying to roll up to a programmatic level to save money in the long run.

Phil Rockefeller:

But not the same flexibility with the accords?

Bill Maslen:

Correct.

Bryan Mercier:

Savings found in BiOp can be used, Accords can not.

Jennifer Anders:

Dealing with Accords raises a lot of questions so maybe we focus on BiOp. What else is available to us?

Tony Grover:

Most should come from BiOp. O & M is mostly in BiOp.

Phil Rockefeller:

Knowing what you know now would you do accords differently?

Bill Maslen.

We continue to work with those interested parties who help support an all H strategy and BiOp.

Bryan Mercier:

No guarantee another round of accords will take place. More analysis will take place for sure.

Steve Crow:

Any chance they could be done differently, include more people?

Bill Maslen:

Keep in mind the accords did sustain the 70/15/15 (anadromous fish/resident fish/wildlife) funding split called for in the Program. They were intended to support the Program and also satisfy ESA issues. Court should provide something this fall that will provide context for all of us.

Jennifer Anders:

What other opportunities are there for long term strategic planning/targets?

Tom Iverson:

Look for cost savings in processes, for example redundant ISRP reviews, that takes away money from on the ground work.

Lynn Palensky:

Was a discussion of project review and transactional costs associated with environmental permitting and compliance at the Regional Coordination Forum meeting.

Paul Kline:

Not a lot of money involved here but projects that have been through review multiple times, that have same objectives, shouldn't need to go through the same process every time. There should be efficiencies in project reporting also.

Bill Maslen:

We have programmatic EIS for implementation of the program. Exceptions would be hatchery where an EA or supplemental would take place. We have delegated authority from DOE so we can do our own NEPA.

Amy Windrope:

BPA is strapped on environmental compliance side. Think they are doing what they can. What we hear is in reviewing transaction costs, ISRP reviews, etc. is there any way to make those costs lower?

Tony Grover:

Council is committed to streamlining ISRP review (less site visits for example).

Lynn Palensky:

On the other hand ISRP will be looking at other/new things like adaptive management, sturgeon, etc. so this is more of a shifting/reprogramming of work for them.

Bill Maslen:

These are all different ways to get to nominal dollars. Maybe focus should be relative priorities across the program towards what we are going to do and what we aren't going to do. We can't keep adding work without reconfiguring some of the other work....program is fully funded. That is why we go to things like RM & E.

Karl Weist:

What about overhead budgets?

Bill Maslen:

Overhead on project sponsors is untouchable. Indirect rates are determined each year by DOI. We could cap it....but some of the project sponsors who don't have additional funding would be stuck with fitting the bill. Not easy path to work through.

Phil Rockefeller:

What would be helpful? Are there zones of weakness in the Program that the Council should look at?

Bill Maslen:

Programmatic (categories). For example habitat action effectiveness, hatcheries, areas not tied to FCRPS (used example of coded wire tags....improved relationship but still spending a lot of money on this....point is we didn't gain any savings).

Phil Rockefeller:

2018 (run up to) a lot of investments will be coming to a head.

Stacy Horton:

Long term planning is lacking....could we plan for a longer term?

Bill Maslen:

Becomes harder without year budgets for projects like hatcheries, etc.

Lynn Palensky:

Sounds like there are some short term things we can do/look at like administrative and overhead costs, streamlining project reviews, project closeouts, etc.

We have also talked about things that may not result in cost savings but help fund priorities like involvement in accords, rate case, talking to the Corps about sturgeon and lamprey work, HGMP's, etc.

Some things rise to the top and we should focus on those.

As a specific example for reprogramming, Lynn reminded the group of a Council decision from the GEO review: *Council's Decision from Geographic review on October 29, 2013: 2. Bonneville to direct funds from projects closed as an outcome of this review, to priority maintenance work (i.e. fish screening facilities). Council and Bonneville to work through established processes to prioritize work.*

Tony Grover:

I am worried about what Bryan Mercier said about cost savings being absorbed by projects rather than going to new priorities or outside pot. Are there tools we can look at to identify those costs before they are internalized?

Bryan Mercier:

Reason we over contract by 10% is to utilize most money we can. Money is not rolled over. Alternative would be contracting to budget and money under budgeted would not go to projects.

Tony Grover:

Hypothetical: Say we have a pot of \$5 million for potential funding for emerging priorities that goes into BPA's SOR budget. We could then solicit for projects.

Bill Maslen:

If we were going to do that we would need to know where the money would come from.

Bryan Mercier:

Would need to identify what projects that would come from.

Karl Weist:

Let's come up with some principles for what is going on right now and see what emerges.

Bill Maslen:

Today's meeting included discussions about operating principles and a process by which we methodically go through and see what projects are near the end or diminished. There are lots of process and deliberations that occur before money flows to the projects (some things can be done without funding) so let's look at what's out there already. Need to be methodical in how we arrange next steps.

Jennifer Anders:

As far as next steps, staff will work and put together some tools, strategies, principles, and a list of what are the risks involved and what can we touch and what can't we touch.

Brian Mercier:

We can help put together a list of projects that are wrapping up to help with that aspect of this.