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Northwest Power and Conservation Council

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May 9, 2017

DECISION MEMORANDUM

TO: Council Members

FROM: Sharon Ossmann

SUBJECT: Decision to release Fiscal Year 2019 and Fiscal Year 2018 Revised budget

BACKGROUND:

Presenter: Sharon Ossmann

Summary: Staff recommends the Council approve the release of its draft Fiscal Year 2019 and Fiscal Year 2018 Revised budget for public comment.

Relevance: As part of its annual budget development process, the Council provides for a 30-60 day public comment period on its draft budget. The funding necessary for the Council to carry out its activities and responsibilities under the Northwest Power Act is provided by the Bonneville Power Administration based on the Council's adopted budget. Following public comment, the Council adopts its budget in July or August of each fiscal year and forwards the adopted budget to Bonneville for inclusion in its budget transmittal to Congress.

Workplan: Interested parties will be given an opportunity to request consultations with staff and submit written comments on the draft budget between May 17, 2017 and June 30, 2017. An opportunity for oral comment will be provided at the June 13-14 Council meeting in Corvallis, Oregon.

Background: The proposed Fiscal Year 2018 Revised budget is \$11,624,000 and the proposed FY2019 budget is \$11,914,000. These budgets are both below the calculation of the budget cap based on the forecast of firm power sales as specified in the Northwest Power Act. In past years the Council and Bonneville staff have entered into multi-year budget agreements in order

to better plan and stabilize funding levels needed to perform the Council's work. In January 2017, the Council entered into a three-year budget agreement with Bonneville for fiscal years 2017-2019. The budgets proposed in this document are within the agreed levels of funding.

More Info: The Council's FY2018 revised budget of \$11,625,000 is the same level as the budget adopted last year. This budget reflects increased contracting expense offset by decreased personal services and other operating costs.

The proposed FY2019 budget of \$11,914,000 is \$290,000 (2.5%) higher than the revised FY2018 budget. This increase reflects anticipated higher costs for personal services and benefits costs, and other operating expenses offset by reductions in anticipated contracting costs in FY2019.

The Draft Fiscal Year 2019 budget and Fiscal Year 2018 revisions document is available for viewing at: www.nwcouncil.org/reports/financial-reports/2017-3/comment. A PDF version of that webpage is attached.

Fiscal Year 2019 Budget and 2018 Revisions

This document is designed to be viewed online with interactive charts and navigation.

This print format is made available for reference purposes.

See www.nwcouncil.org/reports/financial-reports/2017-3.

Mission, core values and strategic goals statement

Mission

To ensure, with public participation, an affordable and reliable energy system while enhancing fish and wildlife in the Columbia River Basin.

Core values

- We take the long view. We work for the well-being of future generations, not just our own.
- We have a regional perspective. We address the interests of the region as a whole.
- We serve the public. We listen to their concerns and we strive to bring insight to the issues affecting them.
- We are independent. We tell people what they need to know because trust is the basis of partnership and the key to progress.
- We embrace learning. We're open to change and diverse views because it sparks opportunity.

Strategic goals

In the next two to three years, the Council will complete the two major planning activities required under the Power Act: developing a fish and wildlife program and a 20-year regional power plan.

The question to consider is: What do we want to achieve, beyond the strict legal requirements of the act, through these planning processes?

Our goals should respond to the many changes in our planning environment: the evolving science about the Columbia Basin ecosystem; the Northwest's economy; the availability of BPA funding for fish and wildlife restoration; the cost of generating resources; the political engagement of the public; and the operation of the Columbia River power system.

Given these challenges, the Council will pursue the following strategic priorities:

Energy

- Strengthen the Council's position as a recognized, credible, and objective hub for regional power planning information and analysis
- Implement the Seventh Northwest Power Plan while meeting the statutory requirements of the act

- On an ongoing basis, update and adapt the Council’s power planning methods, processes, and analytic tools to the changing characteristics and needs of the Northwest power system

Fish and Wildlife

- Strengthen the Council’s position as a recognized, credible, and objective hub for regional fish and wildlife planning information and analysis
- Continue to improve the effectiveness and cost-effectiveness of the region’s restoration actions through fish and wildlife program amendments and project reviews
- Work aggressively to implement habitat improvements that benefit fish and wildlife in the mainstem, tributaries, and estuary
- Continue the work to reform artificial production practices so that they are effective in improving production above Bonneville Dam while protecting, and benefiting where possible, naturally spawning populations

Public Affairs

- Continue the focus to communicate effectively with stakeholders and the public to create engagement

Budget history and this year's strategy

Budget History

Council Funding Background

The Northwest Power Act, as passed by Congress in 1980, establishes a funding mechanism to enable the Council to carry out its functions and responsibilities. The Bonneville Power Administration provides this funding through ratepayer revenues. The Act establishes a formula to determine a funding limitation threshold and authorizes the Council to determine its organization and prescribe practices and procedures to carry out its functions and responsibilities under the Act.

The Act further provides that the funding limitation applicable to annual Council budgets will be calculated on a basis of 0.02 mill multiplied by the kilowatt hours of firm power forecast to be sold by the Bonneville administrator during the year to be funded. The limitation may be increased to .10 mill, provided the Council makes an annual showing that such limitation will not permit the Council to carry out its functions and responsibilities under the Act.

The basis of the funding methodology (firm power forecast to be sold) embraces authorities set forth in other sections of the Act that describe the Congressional expectation that Bonneville will serve all anticipated load growth for the region in the future. As such, the Act authorizes Bonneville to supply all of the incremental electricity needed in the future for the region, if so desired by its customers and others.

Fiscal Year 2019

The Council has determined that the 0.02-mill limitation will not allow the Council to carry out its functions and responsibilities under the Power Act in Fiscal Year 2019. As detailed in Appendix C of this report, the Council determined that an amount equal to .096 mill, which totals \$11,914,000, will be required in Fiscal Year 2019.

Annual Baseline Adjustments

Since 1997, the Council has negotiated annual budget ceilings with Bonneville that cover specific Bonneville rate periods. These negotiated agreements incorporate various budgetary constraints such as:

- Current-level service budgets from the preceding budget period.
- Restrictive cost-of-living adjustments for personal services expenditures.
- Cost-cutting actions to cushion the impact of inflation.
- Program improvements individually cost-justified.

By applying these budgeting principles on an annual basis, the Council has been able to successfully confine budget growth to an average of less than 3 percent per year over the last 22 years (1997-2019).

Budget Versus Actual Expenditure Considerations

The Council attempts to project workloads and resource requirements two years in advance with some opportunity for budget revisions occurring prior to the beginning of each fiscal year.

During each annual budget cycle the Council:

- Manages overall expenditures to the most cost-effective level.
- Conserves unanticipated cost savings in a prudent manner.
- Re-prioritizes the allocation of funding and staff resources to accommodate new workloads and unanticipated responsibilities.

Actual expenditures in one budget year may not necessarily be reliable indicators of funding requirements in future budget cycles because:

- Changes in Council workloads, programs, and responsibilities are difficult to anticipate and are often initiated by external events in the region or by requests from the Congressional delegation or the states' governors.
- Programs and activities that are budgeted, but deferred because of new and emerging higher priorities, are often re-budgeted in succeeding years because of their continued need and importance.

Fiscal Years 2018-2019 Draft Budgets

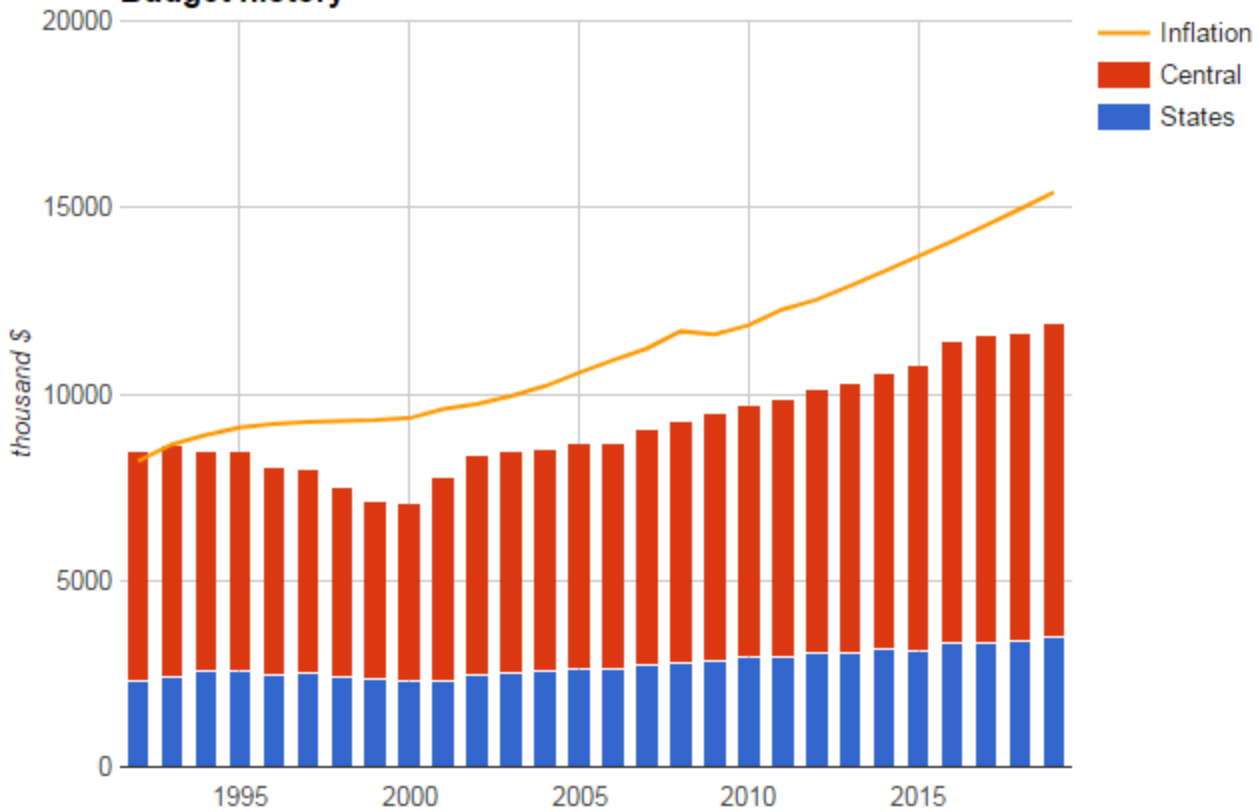
The Council's draft budget reflects the proposed budget for Fiscal Year 2019 and the recommended revisions to the Fiscal Year 2018 budget. In addition, the draft budget contains the out-year budget projection for fiscal years 2020 and 2021. The Council is committed to carrying out its current responsibilities and workloads within these projected funding levels.

A summary of the draft budgets for the last five budget years follows. These projections show budget growth under 16 percent over the six-year period, 2013 – 2019.

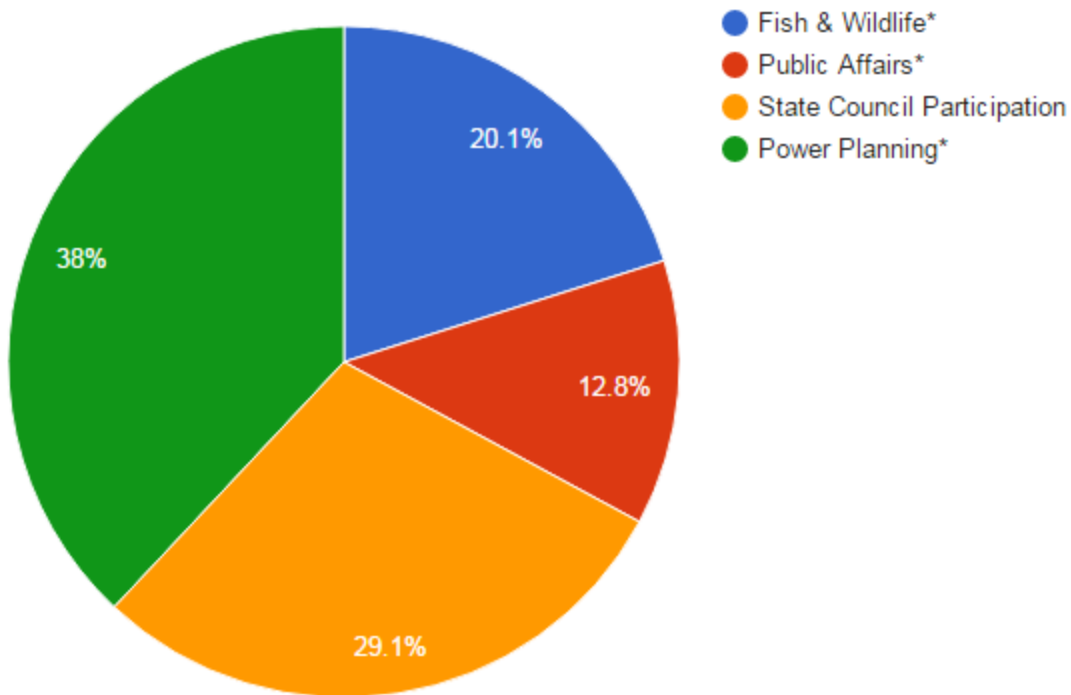
FY 2013	\$10,283,000	
FY 2014	\$10,565,000	(2.7%)
FY 2015	\$10,784,000	(2.1%)
FY 2016	\$11,425,000	(5.9%)
FY 2017	\$11,590,000	(1.4%)
FY 2018	\$11,624,000	(0.3%)
FY 2019	\$11,914,000	(2.5%)

The Council showing, required by the Act, for Fiscal Year 2019 is contained in Appendix C.

Budget history



Budget by function for FY 2019: \$11,914,000



* Includes central office administration burden for executive management, as well as legal, fiscal and administrative services.

Fiscal Year 2018/2019 Budget Strategy

The Council is aware of the current economic challenges facing the four-state region, and the need to maintain healthy financial conditions for the Bonneville Power Administration. In an effort to be responsive, the Council in Fiscal Year 2018 and Fiscal Year 2019 will continue to adhere to the budget constraints initiated in 1998.

To accomplish this, the Council will:

1. Continue to identify efficiencies in operations and administration in order to limit inflationary increases to below 3 percent, on average, during fiscal years 2009-2019.
2. Re-allocate staffing where possible to absorb new workload without increasing FTEs.
3. Re-prioritize resources as necessary to respond to new requests for technical analysis. Reschedule or postpone work anticipated during the budget-development process in order to respond to the most essential requests for studies and analyses.

Fiscal Year 2019 Proposal Budget Request

Based on the major issues and levels of effort discussed on the preceding pages and described in more detail in other sections of this document, the Council has determined that the proposed budget expenditures are necessary and appropriate for the performance of its functions and responsibilities as authorized by the Northwest Power Act, Section 4(c)(10)(A). The Council further has determined that the 0.02 mill per kilowatt-hour limitation on expenses will not permit the Council to carry out its functions and responsibilities under the Act, Section 4(c)(10)(A). (See Appendix C for a detailed description of the Council's showing under the Act.) The Council proposes that the projected budget in the amount of \$11,914,000 for Fiscal Year 2019, equal to 0.096 mills per kilowatt-hour for the estimate of forecast firm power sales, be included in the Bonneville administrator's Fiscal Year 2019 budget submittal.

Fiscal Year 2018 Proposed Budget Revisions

The Council's Fiscal Year 2018 revised budget of \$11,624,000 is unchanged from the previously submitted Fiscal Year 2018 budget request of \$11,624,000. Increases projected for contracting activities have been offset by decreases in personal services and other operating expenses. The Council's budget for Fiscal Year 2019 and Revised Fiscal Year 2018 is based on current-year expenditure levels plus adjustments for shifting workloads, certain program improvements, and cost-of-living adjustment factors as provided by the U.S. Department of Energy (Bonneville) and the Oregon Economic and Revenue Forecast. A number of cost-containment measures for personal services, travel, contracts, and services and supplies have been incorporated in the budget.

Budget/Expenditure Summary											
(000s omitted)											
	FY16 Budget	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected
Expenditures:											
Personal Services*	\$5,912	\$5,398	\$5,899	\$5,768	\$6,093	\$6,005	\$6,200	\$6,355	\$6,505	\$6,635	\$6,768
Travel	270	203	274	277	274	\$274	280	287	292	297	302
Contracts	658	768	803	884	533	\$690	656	638	588	448	272
Other Operating Expenses	1,250	1,158	1,302	1,122	1,317	\$1,278	1,312	1,325	1,330	1,297	1,299
SUBTOTAL	\$8,090	\$7,527	\$8,278	\$8,051	\$8,217	\$8,247	\$8,448	\$8,605	\$8,715	\$8,677	\$8,641
State Budgets	3,335	3,019	3,317	3,206	3,407	3,377	3,466	3,549	3,642	3,706	3,677
TOTAL	\$11,425	\$10,546	\$11,595	\$11,258	\$11,624	\$11,624	\$11,914	\$12,153	\$12,357	\$12,383	\$12,317

* Authorized positions represent full staffing. Under-utilization of authorized positions can occur during the fiscal year and result in an under-expenditure in the personal services budget. Also, costs associated with payroll taxes, insurance, and benefits can be different than budget projections because of staffing changes and inflationary effects. Some positions are filled on a part-time basis.

FY 2018 Revised Program Forecast						
(000s omitted)						
	Power Planning	Fish & Wildlife	Public Affairs	Legal	Admin	Total
Compensation	\$1,529	\$874	\$479	\$291	\$900	\$4,073
Other Payroll Expenses	719	411	225	137	441	1,932
Travel	96	65	60	24	29	274
Contracts	407	135	100	8	40	690
Other Operating Expenses	204	8	113	23	930	1,278
SUBTOTAL	\$2,955	\$1,493	\$977	\$483	\$2,340	\$8,247
State Budgets:						
Idaho	\$841					
Montana	870					
Oregon	792					
Washington	873					
SUBTOTAL	\$3,377					3,377
TOTAL						\$11,624
FY 2019 Program Forecast						
(000s omitted)						
	Power Planning	Fish & Wildlife	Public Affairs	Legal	Admin	Total
Compensation	\$1,592	\$906	\$493	\$299	\$928	\$4,218
Other Payroll Expenses	\$748	\$426	\$232	\$141	\$436	\$1,982
Travel	\$98	\$67	\$60	\$24	\$31	\$280
Contracts	\$328	\$130	\$100	\$8	\$90	\$656
Other Operating Expenses	\$204	\$43	\$113	\$23	\$929	\$1,312
SUBTOTAL	\$2,970	\$1,572	\$998	\$495	\$2,414	\$8,448
State Budgets:						
Idaho	\$862					
Montana	\$894					
Oregon	\$806					
Washington	\$904					
SUBTOTAL	\$3,466					\$3,466
TOTAL						\$11,914

Introduction

Background

The Northwest Power and Conservation Council was authorized by Congress in 1980 through the Pacific Northwest Electric Power Planning and Conservation Act and held its first meeting on April 28, 1981. The Council is an interstate compact agency of Idaho, Montana, Oregon, and Washington, not an agency of the U.S. government. (Section 4 (a)(2)(A)). The four state legislatures created the Council in response to the Power Act.

The principal duties of the Council under the Northwest Power Act are to: 1) develop a regional power plan to assure the Northwest an adequate, efficient, economical, and reliable power supply; 2) develop a fish and wildlife program to protect and enhance fish and wildlife affected by hydroelectric development in the Columbia River Basin and make annual funding recommendations to the Bonneville Power Administration for projects to implement the program; and 3) provide for broad public participation in these processes and inform the public about regional energy and fish and wildlife issues (Sections 2(1)(A) and (B), (3), (3)(A)). Bonneville, the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers, and the Federal Energy Regulatory Commission are the principal agencies charged with implementing the fish and wildlife program (Sections 4(h)(10), (11)(A)). Bonneville implements the Council's conservation and electric power plan (Sections 4(d)(2), 6(b)(1)).

Funding for the Council is provided by Bonneville, a self-financing federal agency, not by the Federal Treasury or by any state government in the region. The Northwest Power Act directs that expenses of the Council (subject to certain limits described in Appendix C of this report) shall be paid from funds available to the Bonneville administrator and shall be included in Bonneville's annual budget submitted to Congress pursuant to the Federal Columbia River Transmission System Act (Section 4(c)(10)(A) of the Power Act).

The goals of the Power Act – assuring an adequate, efficient, economical, and reliable power supply; encouraging conservation and renewable resources; and protecting and enhancing the fish and wildlife resources of the Columbia River Basin – are of vital importance to the social and economic welfare of the Northwest.

Council Responsibilities

Regional Power Plan

The Power Act directs the Council to develop, and periodically amend, a plan to ensure the Pacific Northwest of an adequate, efficient, economical, and reliable power supply (Section 4(d)). The Council adopted the first version of its power plan in 1983 and amended the plan in 1986, 1989, 1991, 1996, 1998, 2004, 2010 and 2016.

At the time Congress passed the Power Act, wholesale electricity sales were regulated. Since the mid-1990s, however, wholesale power has been sold competitively. While federal law changed the nature of electricity sales, the Power Act goals of assuring reliable and affordable electricity remain an important focus and

responsibility of the Council's regional power planning. The Council continues its efforts to accomplish the goals of the Northwest Power Act in ways that are consistent with the changing electricity market.

The 2016 revision of the plan, called the Seventh Northwest Power Plan, focused on maintaining the adequacy and reliability of the power system within the current market structure, recommending a future resource strategy that minimizes costs while ensuring appropriate levels of resource diversity and risk management, and balancing the interactions between fish and power. To reach these goals, in addition to preparing and periodically amending the plan, the Council:

1. **Promotes the Plan's Implementation.** Works with regional interests to meet the plan's conservation and generating resource goals; tracks regional progress through staff analysis, the Regional Technical Forum and other advisory committees.
2. **Analyzes the Regional Electricity Market.** Provides information and analysis of evolving electricity issues. A new area of focus is the evolving need to analyze the capacity and flexibility of the power system to meet peak electricity needs and integrate variable generation resources.
3. **Analyzes the Power System.** Provides valuable, high-quality, and timely analysis of electricity issues and interactions between fish and the power system, including enhanced models that more accurately capture the effects of changes in the configuration and operation of the power system, and energy system reliability.

The Council is currently focused on implementing the Seventh Power Plan, adopted in March 2016, and on developing the Eighth Power Plan.

Columbia River Basin Fish and Wildlife Program

The Power Act (Section 4(h)) directs the Council to develop, adopt, and periodically amend a program to protect and enhance fish and wildlife affected by the development and operation of hydroelectric projects in the Columbia River Basin, and review Bonneville's progress in implementing the program (Sections 4(h and i)). In addition, the Council monitors the efforts of the Corps of Engineers, Bureau of Reclamation, and Federal Energy Regulatory Commission to consider the fish and wildlife program in their decisionmaking.

The Council adopted its first Columbia River Basin Fish and Wildlife Program in November 1982. The Council amended the Program in 1984, 1987, 1992, 1994/95, 2005, 2009 and most recently in October 2014. The program incorporates a basinwide vision, biological objectives, strategies, and a scientific framework in a unified plan for fish and wildlife recovery.

With the assistance of the Independent Scientific Review Panel, the Council also reviews and makes recommendations concerning projects proposed for funding by Bonneville to implement the program.

The 2000 revision included a multi-species approach for decisionmaking, and the 2003 mainstem amendments included a plan for the operation of the federal hydrosystem. An initiative to develop subbasin plans throughout the Columbia Basin began in 2003. Those 59 plans, adopted in 2004 and 2005, will help define the environmental and biological goals specific to fish and wildlife within the basin.

The 2009 revision incorporated several NOAA-Fisheries and U.S. Fish and Wildlife Service Biological Opinions, as well as several Columbia Basin Fish Accords executed with certain Indian tribes and states. The entire suite of Accords, Biological Opinions, subbasin plans, mainstem amendments, and the basic elements of the fish and

wildlife program is intended to be implemented in an integrated manner throughout the Columbia River watershed. The 2014 revision carried on with much of the substance of the 2009 Program and added an emerging priorities section:

1. Provide for funding long-term maintenance (Appendix P) of the assets that have been created by prior program investments
2. Implement adaptive management (including prioritized research on critical uncertainties) throughout the program by assessing the effectiveness of ongoing projects, developing program objectives when appropriate and taking into account the effects of climate change
3. Preserve program effectiveness by supporting: (1) expanded management of predators; (2) mapping and determining hotspots for toxic contaminants; and (3) aggressively addressing non-native and invasive species
4. Investigate blocked area mitigation options through reintroduction, passage and habitat improvement, and implement if warranted
5. Implement additional sturgeon and lamprey measures (passage and research)
6. Update the subbasin plans most in need of updates
7. Continue efforts to improve floodplain habitats

In preparing the program, the Council **Utilizes the Best Available Scientific Information**. Through two panels of independent scientists, the best available science informs regional fish and wildlife recovery measures.

Public Involvement

The Power Act requires the Council to develop and maintain comprehensive programs to inform the public of major regional power and fish and wildlife issues, and obtain feedback from the public, Bonneville, Bonneville's customers, fish and wildlife agencies, Indian tribes, and others for consideration in its decision-making (Section 4(g)). The Council also is required to report to Congress annually on actions taken to implement the Power Act (Section 4(h)). In addition to these activities, the Council:

1. **Encourages Regional Cooperation.** Fosters regional cooperation and coordination on activities that support the goals of the Power Act.
2. **Educates the public about the Council's decisionmaking and involves the public in those processes.** The public affairs division arranges public meetings and hearings; arranges for transcription of these meetings when necessary to create a legal record of proceedings; distributes information about decisionmaking processes; receives comments from the public and distributes them to the Council members, staff, and the public; and performs other duties to ensure public participation in decisionmaking.

Organization functions

Council Organization

The governors of Idaho, Montana, Oregon, and Washington each appoint two members to the Northwest Power and Conservation Council. The eight-member Council sets policy and provides overall leadership for Council activities.

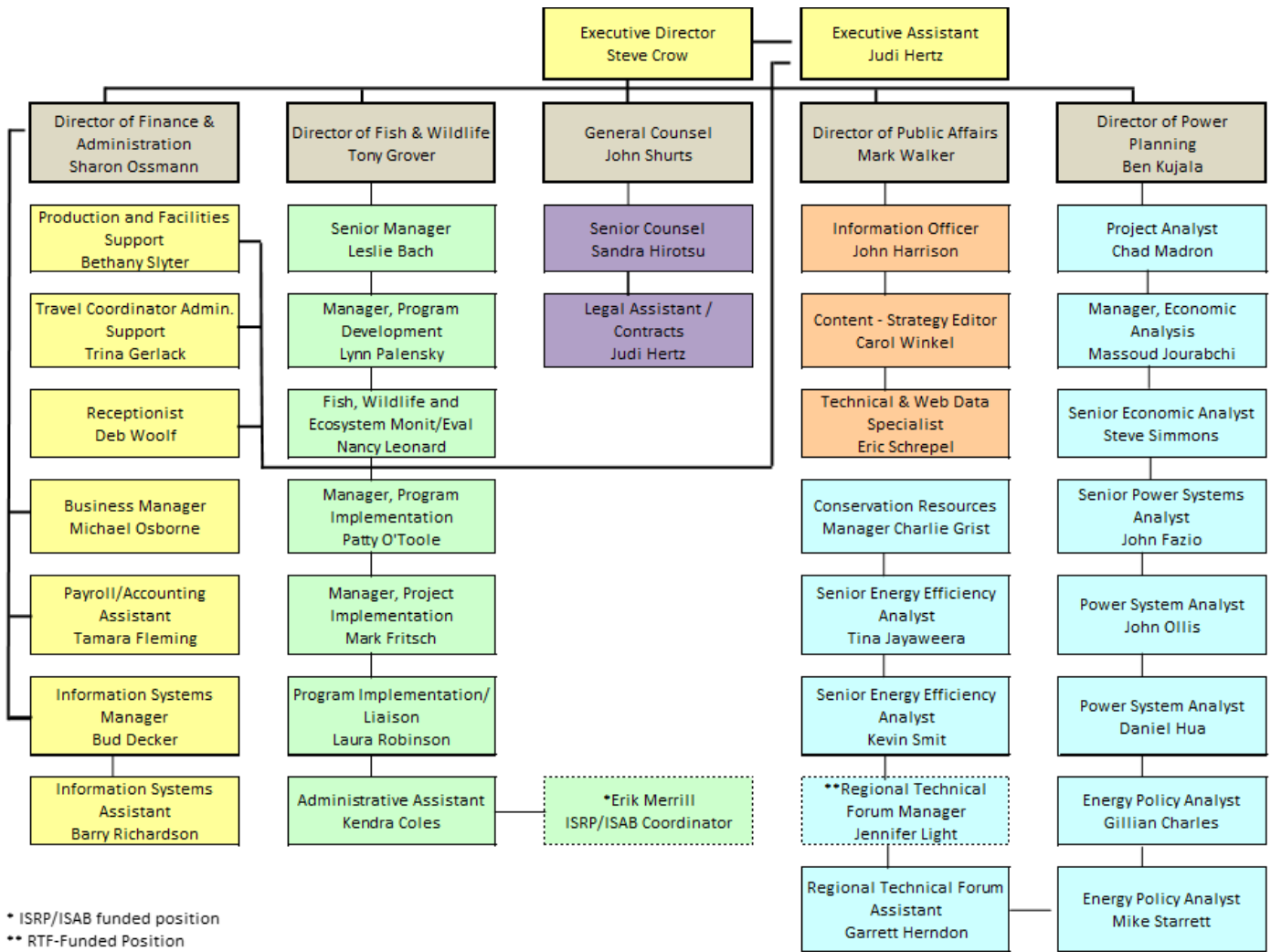
The Council's work is performed, depending on the tasks, by the Council's professional staff (including staff in a central office and in each state), consultants under contract, or by public agencies and Indian tribes under intergovernmental agreements. The Council's executive director is responsible for coordinating with the eight-member Council, supervising the central office staff, administering the contracts, and overseeing the day-to-day operations of the Council. The Council approves major contracts and the overall work plan.

State Office Organization

Professional staff in each state provide technical review and assistance to Council members in evaluating matters before the Council. State staff also participate in designing and developing public involvement programs that focus on the implementation of the power plan and fish and wildlife program in their particular states. This support is provided through existing state agencies or by individuals directly under Council member direction.

Central Office Organization

The central staff, under the leadership of the executive director, has been organized into five divisions: power; fish and wildlife; public affairs; legal; and administrative.



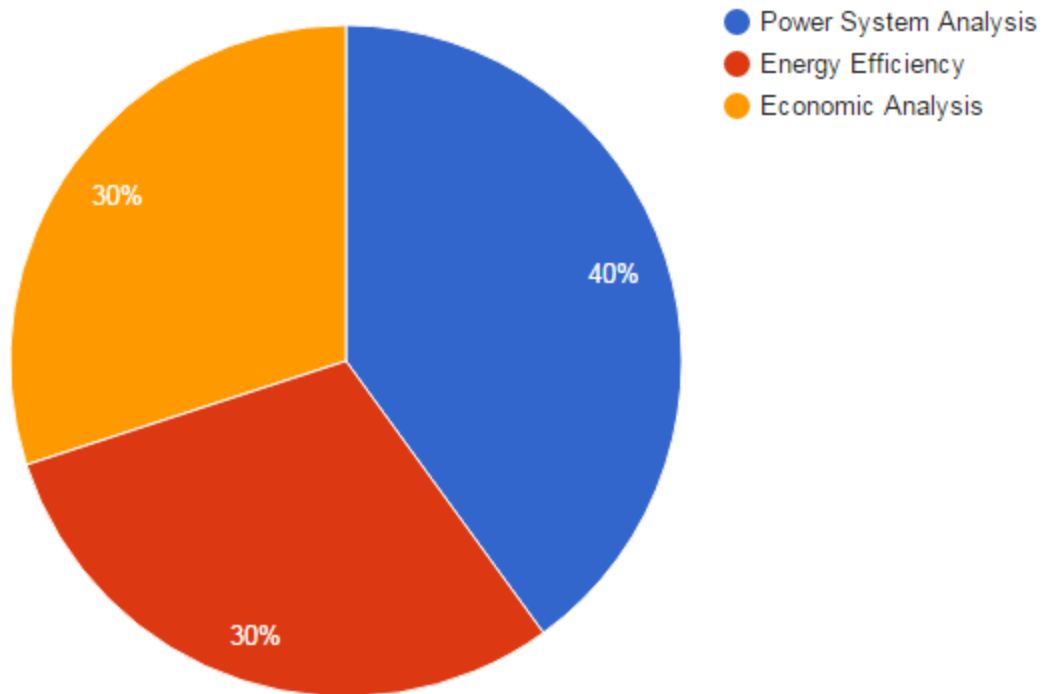
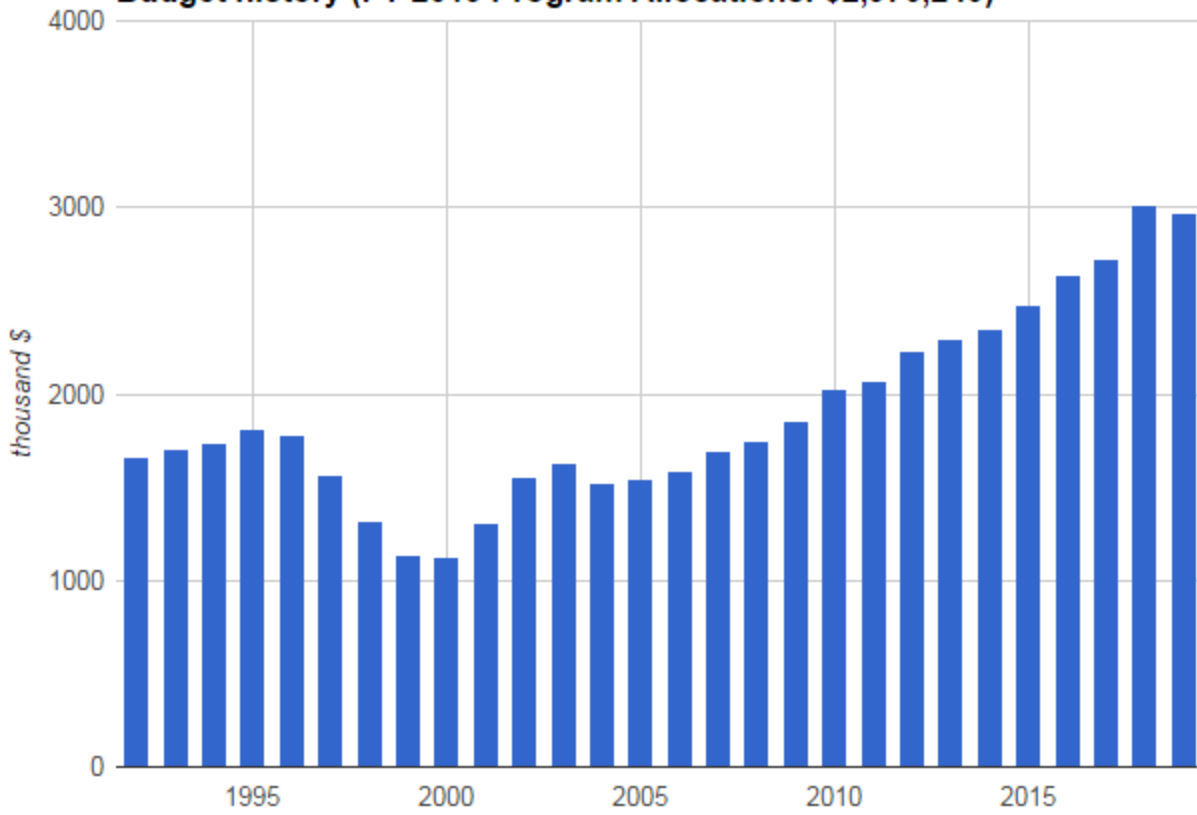
Power Division

The Council issued its Seventh Power Plan in 2016. As in previous plans, energy efficiency is the primary cost-effective regional resource identified in the resource strategy. The plan set forth a goal of developing 1400 aMW by 2021. In addition, the plan anticipates that Demand Response is a cost effective approach to maintaining regional reliability.

The efforts of the Power Division in Fiscal Year 2018 and Fiscal Year 2019 will focus on implementing the Council's Seventh Power Plan, completing a mid-term assessment of the plan, and preparing for the Eighth Power Plan. Each Council Power Plan determines a resource strategy for the Pacific Northwest to ensure an adequate, reliable, and economical power system. The strategy seeks to minimize the expected cost of the region's electricity supply, while addressing the risks posed by future uncertainties such as economic activity, growth in demand for electricity, fuel prices, and environmental policies. The Council will continue working with Bonneville, utilities, state regulators and others as part of implementing the Seventh Power Plan. Part of the implementation of the Seventh Power Plan is to complete a mid-term assessment of the plan. The mid-term assessment effort focuses on the recommendations and the forecasts in the Seventh Power Plan and assesses the progress of the regional toward implementing the plan. This assessment will be completed during Fiscal Year 2018 and Fiscal Year 2019. Finally, toward the end of Fiscal Year 2019, the Power Division will be preparing for the Eighth Plan.

The Western Interconnection has been evolving rapidly with shifts in technology, markets and coordinated regional planning for both power and transmission resources. Actions outside the Northwest in the system can have profound implications for the Northwest, and staff will monitor, as resources allow, the activities of the Columbia Grid, Northern Tier Transmission Group, the Western Electricity Coordinating Council, and the Committee on Regional Electric Power Cooperation.

Budget history (FY 2019 Program Allocations: \$2,970,240)



Expenditures by Category						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
Compensation	\$1,310	\$1,510	\$1,476	\$1,568	\$1,529	\$1,592
Taxes, Insurance & Benefits	593	710	657	737	719	748
SUBTOTAL	\$1,903	\$2,220	\$2,133	\$2,305	\$2,248	\$2,340
TRAVEL						
Staff	\$74	\$94	\$94	\$94	\$94	\$96
Advisory Committees	2	2	5	2	2	2
SUBTOTAL	76	96	99	96	96	98
CONTRACTS (See detail Table 5)	389	465	546	300	407	328
OTHER OPERATING EXPENSES (See detail Table 5)	121	204	123	209	204	204
TOTAL	\$2,489	\$2,985	\$2,901	\$2,910	\$2,955	\$2,970
Supplemental Expenditures						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
I. CONTRACTS						
A. System Analysis (Genesis)	\$92	\$300	\$375	\$100	\$157	\$113
B. Energy Efficiency	227	50	55	50	50	50
C. Economic Assessment & Forecasting	46	0	22	100	100	15
D. Transitional Staffing Support	24	90	94	0	50	50
E. Demand Response	0	25	0	50	50	100
TOTAL	\$389	\$465	\$546	\$300	\$407	\$328
II. OTHER OPERATING EXPENSES						
A. Data Subscription Service	\$30	\$55	\$27	\$55	\$55	\$55
B. Staff Development and Training	9	10	10	15	10	10
C. Advisory Committee Meetings Expense	10	5	28	5	5	5
D. Services and Supplies	10	9	9	9	9	9
E. Temp Services	8	25	6	25	25	25
F. Modeling Service	54	100	43	100	100	100
G. Power Plan - Printing	0	0	0	0	0	0
TOTAL	\$121	\$204	\$123	\$209	\$204	\$204

Fish and Wildlife Division

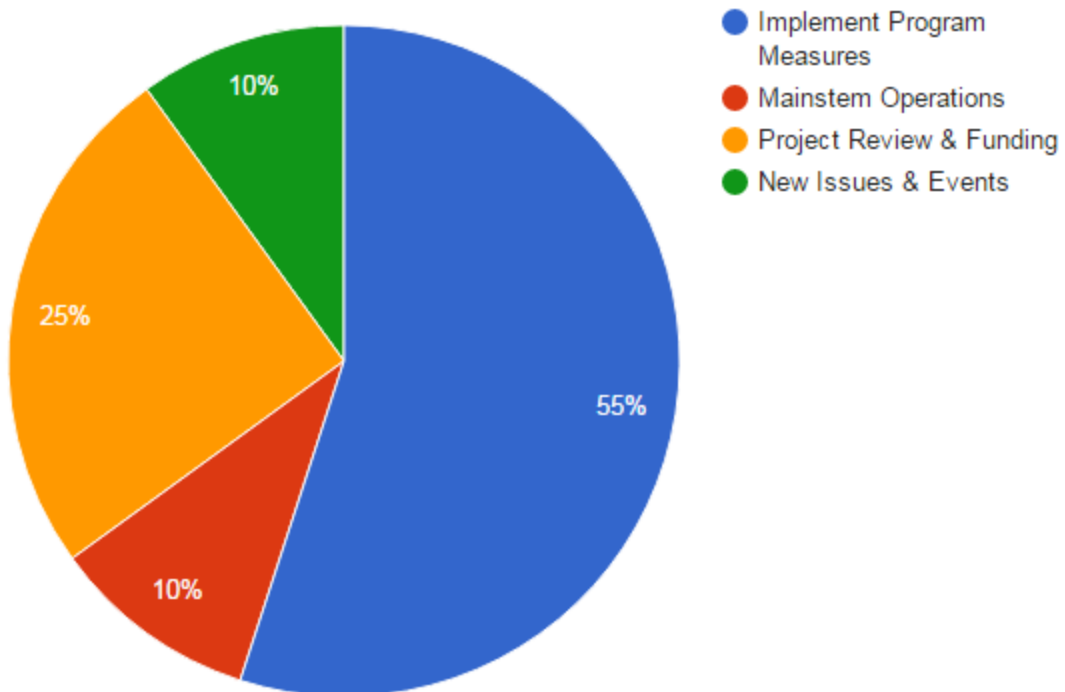
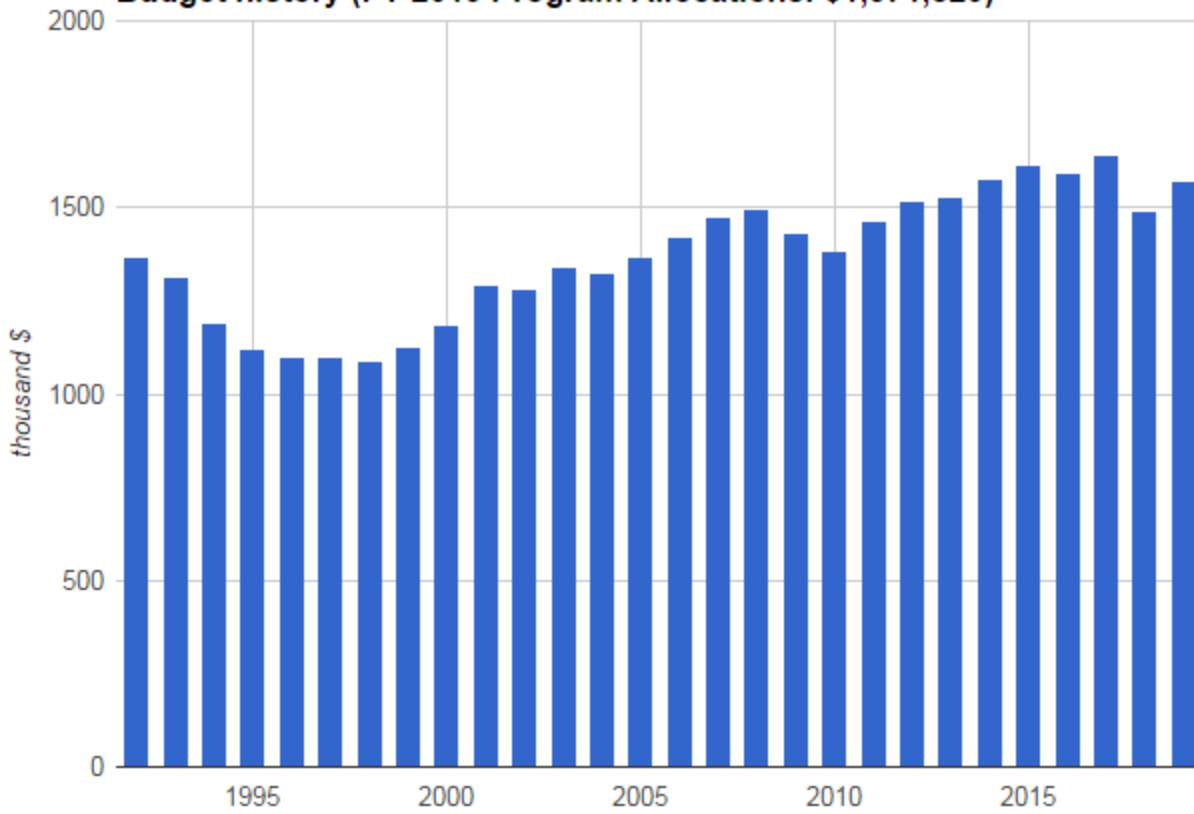
The Council's continuing role in protecting and enhancing fish and wildlife affected by hydropower dams of the Columbia River Basin is reflected in the budget proposed for the fish and wildlife division for 2018-2019. The primary division activities for Fiscal Years 2018 and 2019 include:

Emerging financial stresses at BPA and the end of the fish Accords between BPA and several fish and wildlife management entities will result in funding re-alignments in the fish and wildlife program and will likely require a strategic approach by staff and the Council in responding to these developments. Streamline independent scientific and staff reviews and implement the 2014 Fish and Wildlife Program. The program incorporates new emerging priorities, ongoing commitments, and other work and issues. In collaboration with Bonneville and the tribes, states, and federal agencies develop an investment strategy that assures funding to identify program priorities. Particular focus will be on fishways, fish screens, bypass systems, ladders, wildlife lands and hatcheries. Implementation workgroups, including a cost savings workgroup, some led by fish and wildlife committee members and supported by staff, are working to identify cost savings from existing projects and inform strategic directions of implementation of the program. Work will continue with NOAA fisheries and the regions' federal, state and tribal fish and wildlife managers to develop fish and wildlife program goals and objectives for: 1) natural spawning adult salmon and steelhead; 2) propagation facilities salmon and steelhead; 3) other anadromous fish and resident fish and wildlife; 4) ecosystem function; and 5) public engagement. The division will continue to partner with fish and wildlife managers, BPA, NOAA Fisheries and others to develop an efficient cost effective tributary habitat monitoring program.

Through the Coordinated Assessments and PNAMP processes the Council will work with others to modernize and streamline data management to answer priority management questions. Convene and facilitate Regional Coordination Forum meetings twice a year. The RCF will consist of coordinating entities, action agencies and federal fish and wildlife agencies, as well as interested others. Continue working on specific measures to deal with emerging issues (non-native species, predation, reintroduction to blocked areas, floodplain restoration efforts, ecological interactions, climate change, and toxics) addressed in the program. Develop an updated draft fish and wildlife research plan in collaboration with the ISAB and the region, to identify, prioritize, and generally guide the program's scientific research. Also, staff coordinates the work of and assists the IEAB in gathering and synthesizing information.

Monitor the Federal Energy Regulatory Commission licensing and relicensing proceedings and comment or intervene where appropriate in particular when protected areas identified in the program are involved.

Budget history (FY 2019 Program Allocations: \$1,571,820)



Expenditures by Category						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
Compensation	\$798	\$867	\$848	\$893	\$874	\$906
Taxes, Insurance & Benefits	361	407	407	420	411	426
SUBTOTAL	\$1,159	\$1,274	\$1,255	\$1,313	\$1,285	\$1,332
TRAVEL						
Staff	\$47	\$61	\$61	\$61	\$61	\$63
Advisory Committees	0	4	4	4	4	4
SUBTOTAL	47	65	65	65	65	67
CONTRACTS (See detail Table 7)	136	140	140	135	135	130
OTHER OPERATING EXPENSES (See detail Table 7)	28	8	8	8	8	43
TOTAL	\$1,370	\$1,487	\$1,468	\$1,521	\$1,493	\$1,572

Supplemental Expenditures						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
I. CONTRACTS						
A. Web Mapping/Monitoring	80	0	70	0	0	0
B. Other Forum Facilitation	10	40	10	40	40	40
C. Monitor Prgrm Implementation	30	15	40	15	15	15
D. Project Review	0	10	0	10	10	10
E. Program Amendment	0	0	0	0	0	0
F. IEAB	16	75	20	70	70	65
TOTAL	\$136	\$140	\$140	\$135	\$135	\$130
II. OTHER OPERATING EXPENSES						
A. Staff Development	\$12	\$4	\$4	\$4	\$4	\$4
B. Computer Equip/Software	0	0	0	0	0	0
C. Temp. Services-Data Dev.	0	0	0	0	0	0
D. Wildlife Coordination	0	0	0	0	0	0
E. Meeting Room Rent/Minutes	3	4	4	4	4	4
F. Meetings/Hearings	3	0	0	0	0	35
G. Temporary Services	0	0	0	0	0	0
H. Printing/Duplicating	10	0	0	0	0	0
TOTAL	\$28	\$8	\$8	\$8	\$8	\$43

Public Affairs Division

The public affairs division's primary task is to fulfill the directives in sections 2(3) and 4(g)(1) of the Northwest Power Act of 1980 to inform and involve Northwest citizens about the Council's activities.

The division is the Council's primary contact with the media and with the public, and assists Council members, state offices, the power division, and the fish and wildlife division in communicating their activities and accomplishments to a broad audience comprising informed stakeholders and the general public.

The division's electronic and printed publications are sources of information for interested groups and individuals, and the Council's website contains a host of information, including Council meeting agendas and minutes, all publications released by the Council, as well as other information including subbasin planning materials, fish and wildlife project information, power division reports, and current reports by the independent science and economic analysis boards. The public is invited to comment on all reports and issue papers relevant to the Council's decisionmaking process.

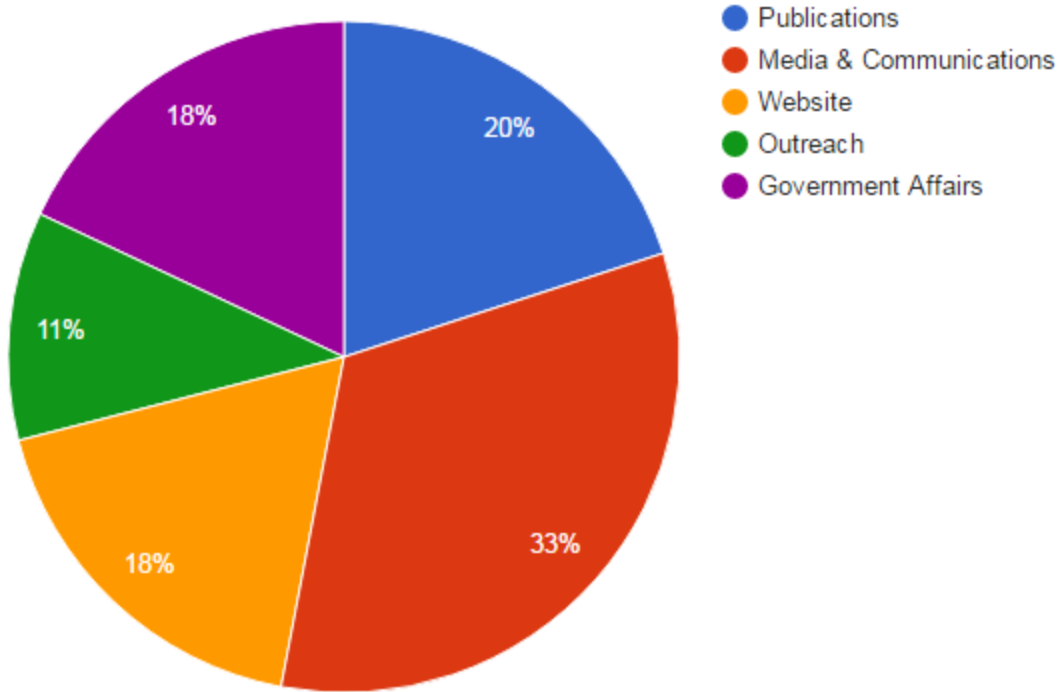
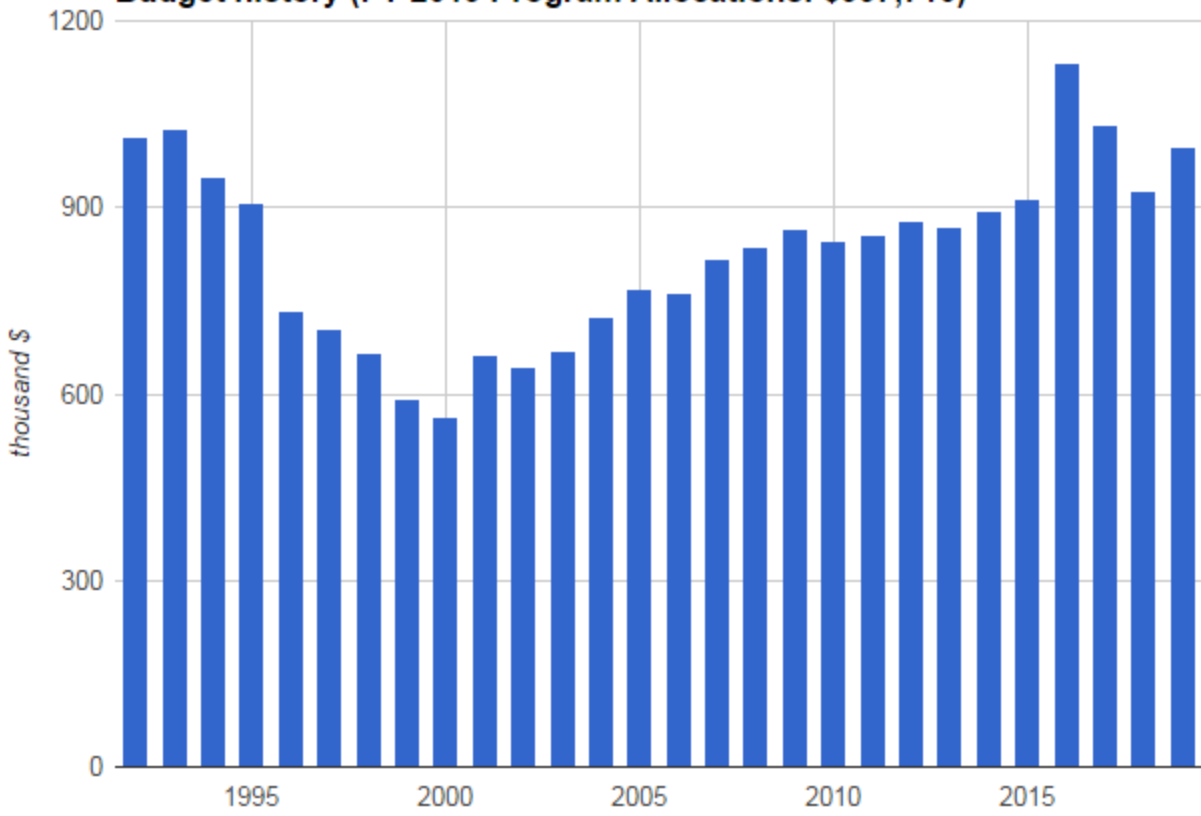
The division carries out the following activities:

1. **Public involvement, outreach, and government relations.** The Public Affairs Division supports Council members and staff through activities including writing, editing, and proofreading; design and graphics; video production; handling logistics for meetings and hearings; and developing communication plans. This also includes outreach and liaison activities to Congress, government agencies, and the public.
2. **Communication tools.** Digital and print products include the Council's website, www.nwcouncil.org; social media platforms LinkedIn, Twitter, Flickr, and Facebook; the Council blog; the *Council Spotlight*, a monthly electronic newsletter; the Council's *Annual Report to Congress*; brief summaries of issue papers, agenda items, and larger publications; and special publications such as issue brochures and reports to governors and legislators. The division also edits and publishes the Council's power plan and fish and wildlife program.
3. **Media relations.** The division responds to media requests, briefs editors and reporters for print and broadcast media on major issues, distributes news releases, and places feature stories about the Council and its work in a variety of publications. The division monitors all media to keep the Council informed on the type of coverage it is getting on major issues.
4. **Public meetings.** The Council meets monthly throughout the region. In addition, public hearings, consultations with interested parties and appearances before governmental entities are scheduled to ensure public involvement.
5. **Information services.** The division answers most general information requests from the public. These range from phoned-in questions to preparing complete reports. The division also provides information to schools, civic organizations, and other interested parties.

Staffing

One vacant FTE was eliminated in the last budget cycle. Staffing levels will remain at that decreased level in FY2018 and in FY2019.

Budget history (FY 2019 Program Allocations: \$997,710)



Expenditures by Category						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
Compensation	\$455	\$470	\$469	\$483	\$479	\$493
Taxes, Insurance & Benefits	183	221	185	227	225	232
SUBTOTAL	\$638	\$691	\$654	\$710	\$704	\$725
TRAVEL						
Staff	\$18	\$30	\$30	\$30	\$30	\$30
Advisory Committees	36	30	30	30	30	30
SUBTOTAL	\$54	\$60	\$60	\$60	\$60	\$60
CONTRACTS (See detail Table 9)	206	150	150	50	100	100
OTHER OPERATING EXPENSES (See detail Table 9)	81	130	97	132	113	113
TOTAL	\$979	\$1,031	\$961	\$952	\$977	\$998

Supplemental Expenditures						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
I. CONTRACTS						
A. Annual Report Printing	\$0	\$0	\$0	\$0	\$0	\$0
B. Public Info/Invol Project	0	0	0	0	0	0
C. Website Redevelopment	206	150	150	50	100	100
D. Digital Media Database	0	0	0	0	0	0
TOTAL	\$206	\$150	\$150	\$50	\$100	\$100
II. OTHER OPERATING EXPENSES						
A. Online Advertising	\$8	\$2	\$10	\$2	\$2	\$2
B. Graphic Design of Publications	6	40	10	40	25	25
C. Other Printing	10	25	20	25	25	25
D. Photos/Processing	0	3	0	5	1	1
E. Public Meetings	0	0	0	0	0	0
F. Staff Development	3	1	3	1	1	1
G. Postage and Mailing	0	2	0	2	2	2
H. Information Services	24	24	24	24	24	24
I. Reference Material/Subscrip.	25	25	25	25	25	25
J. Temporary Services	0	0	0	0	0	0
K. Services and Supplies	5	8	5	8	8	8
L. Digital Conversion of F&W Data	0	0	0	0	0	0
TOTAL	\$81	\$130	\$97	\$132	\$113	\$113

Legal Division

The Legal Division provides legal advice and representation to the Council and its staff. The Division supports the power planning, fish and wildlife, and administrative divisions in the development of Council plans, programs, policies, rules and procedures, in the negotiation of major agreements, and in the development of contracts involving substantial expenditures or significant legal issues. The Division also develops and assists in administering the Council's conflict-of-interest policies, Freedom of Information Act requests, personnel issues, and other matters.

The Legal Division is an important participant in overseeing the implementation of the Power Plan and Fish and Wildlife Program by Bonneville, the U.S. Army Corps of Engineers, the Bureau of Reclamation, the Federal Energy Regulatory Commission, and other agencies and utilities. The Division will also continue to represent the Council in appeals of its Plan, Program or other actions. The Division also assists in implementation of legal requirements for review of proposed fish and wildlife expenditures and in analyzing issues and options in the implementation of the power plan's resource strategies.

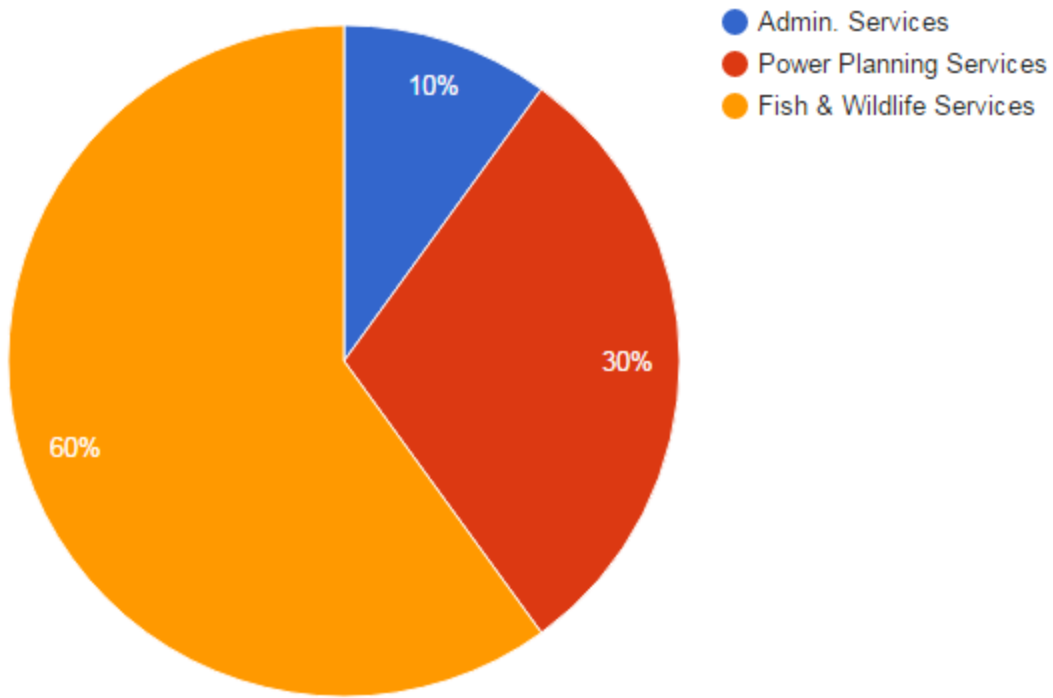
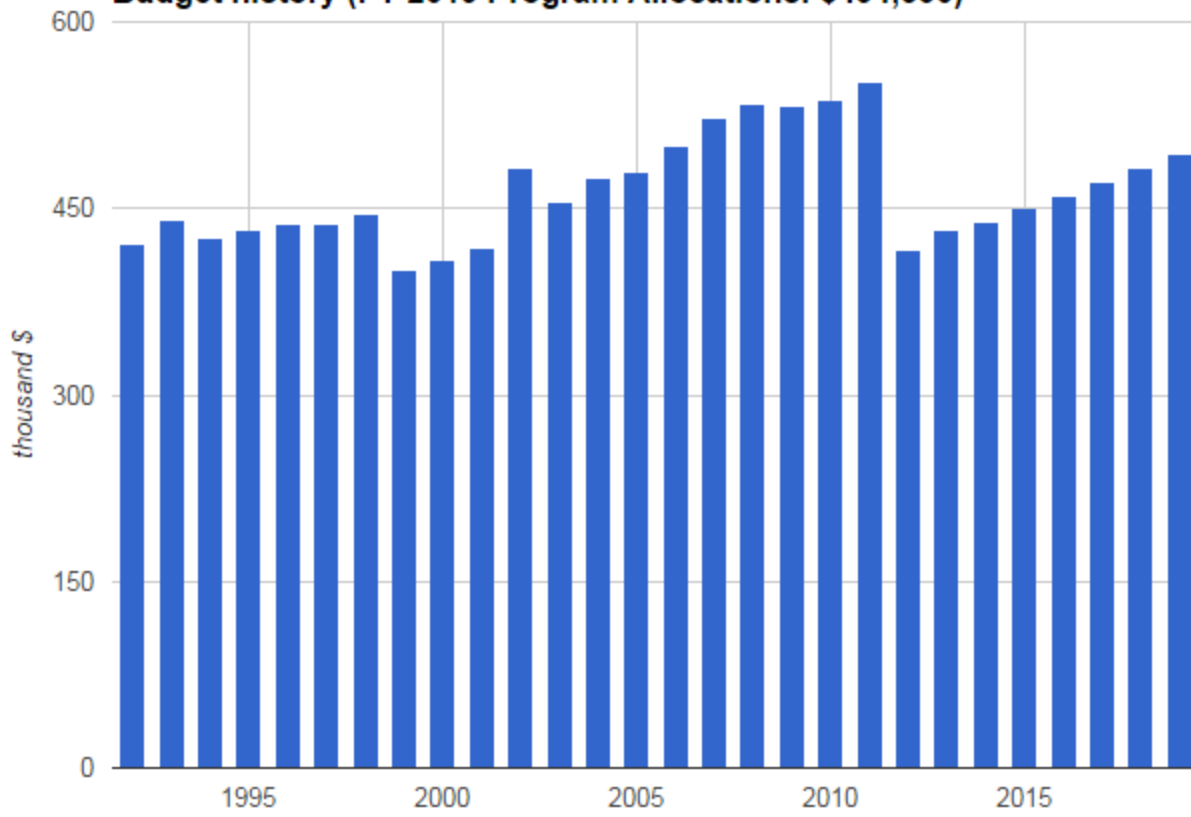
The Legal Division practices preventive law by anticipating legal issues and resolving problems in lieu of litigation, where appropriate. The division represents the Council in litigation when it does occur.

The Division also participates in conferences and educational programs related to energy and fish and wildlife.

Staffing

Staffing is unchanged.

Budget history (FY 2019 Program Allocations: \$494,530)



Expenditures by Category						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
Compensation	\$281	\$285	\$284	\$293	\$291	\$299
Taxes, Insurance & Benefits	116	134	120	138	137	141
SUBTOTAL	\$397	\$419	\$404	\$431	\$428	\$440
TRAVEL						
Staff	\$9	\$24	\$24	\$24	\$24	\$24
SUBTOTAL	\$9	\$24	\$24	\$24	\$24	\$24
CONTRACTS (See detail Table 11)	5	8	8	8	8	8
OTHER OPERATING EXPENSES (See detail Table 11)	34	23	23	18	23	23
TOTAL	\$445	\$474	\$459	\$481	\$483	\$495

Supplemental Expenditures						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
I. CONTRACTS						
A. Hearings	\$5	\$5	\$5	\$5	\$5	\$5
B. Outside Legal Counsel	0	3	3	3	3	3
C. Litigation Services	0	0	0	0	0	0
TOTAL	\$5	\$8	\$8	\$8	\$8	\$8
II. OTHER OPERATING EXPENSES						
A. Continuing Education	\$1	\$2	\$2	\$2	\$2	\$2
B. Dues & Subscriptions	11	11	11	6	11	11
C. Federal Register Notices	0	0	0	0	0	0
D. Temporary Personnel Services	22	10	10	10	10	10
TOTAL	\$34	\$23	\$23	\$18	\$23	\$23

Administrative Division

The Administrative Division provides executive direction for all Council staff operations. In addition, financial, administrative, and human resources services are provided to the Legal Division, Power Planning Division, Fish and Wildlife Division, and the Public Affairs Division.

Office of the Executive Director

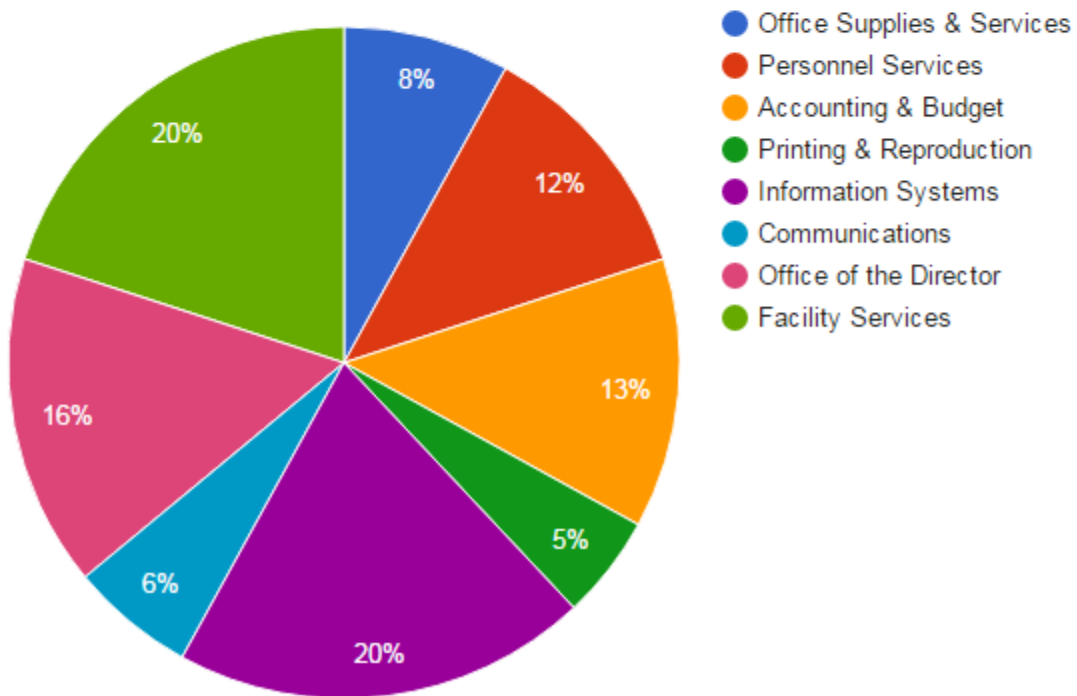
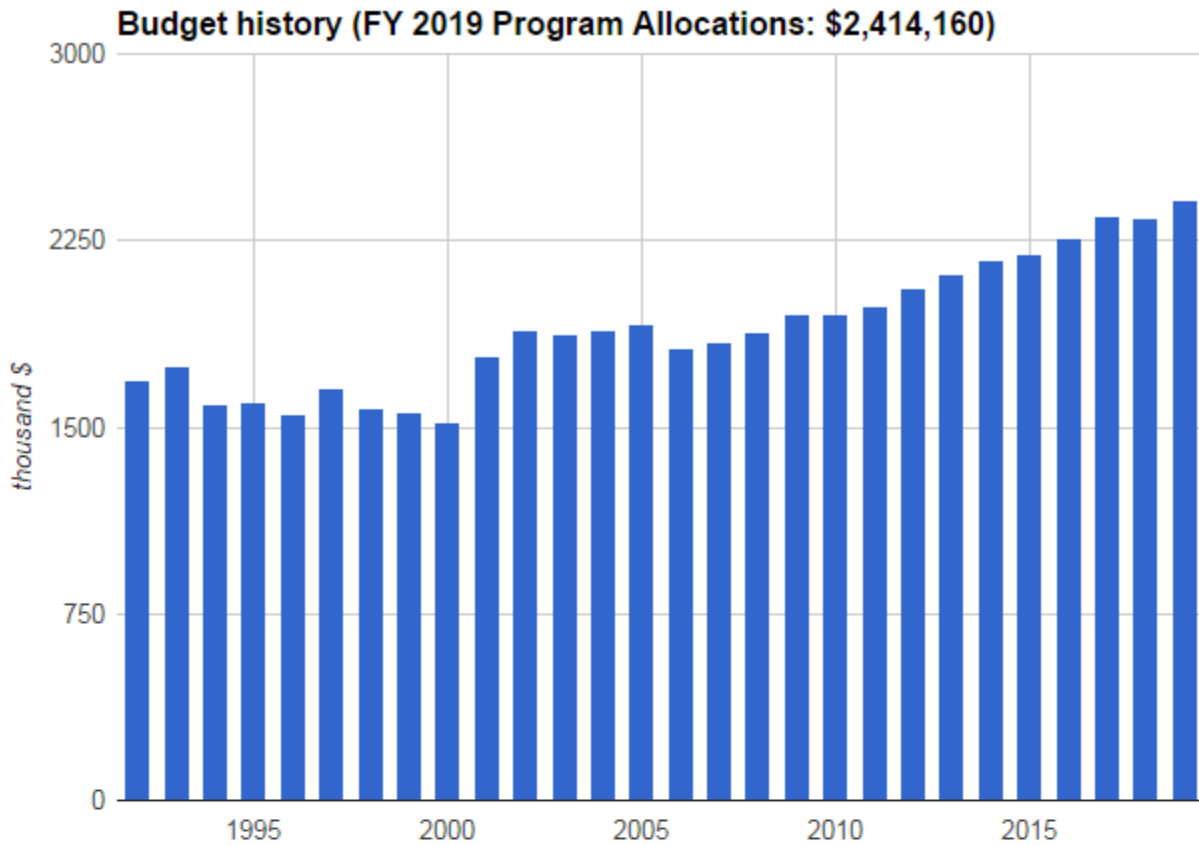
For budget purposes, the Executive Director's office is included in the Administrative division function. Staff work for all Council activities is directed by the Executive Director. In addition, this office guides and coordinates Council activities with regional energy and fish and wildlife entities, as well as with congressional offices, federal agencies, and regional organizations.

Finance and Administration

1. Financial management. Activities in this area include the operation of monthly accounts payable, payroll, Bonneville funding awards and general ledger accounting systems. Budget development (Section 4(c)(4) of the Power Act) and administration, as well as arranging for annual audits (Section 4(c)(10)) of the Council's financial records, are part of this function.
2. Contract administration. This responsibility (Section 4(a)(4)) includes establishing contract administrative records, reviewing and approving contractor invoices, and monitoring contractor costs in relation to work accomplished. Other responsibilities include amendments to contracts, review for conflict of interest and arbitration of contractor performance issues.
3. Information system support. The Council has strengthened its overall system analysis capability through the use of more advanced computerized modeling methods and database management techniques. The Council also has improved productivity with computerized business systems, Internet access, website development and desktop publishing. Related costs include two full-time staff who assist all divisions, provide state office computer support, oversee equipment maintenance agreements software leases, installation of data-storage devices, computer systems, and various computer supplies. Projected computer support requirements are studied for each division's anticipated workloads over three to five-year periods. See Appendix B for additional detail regarding the information systems budget.
4. Human resource services. This function includes responsibility for the administration of employee insurance and benefit programs, grievance procedures, Equal Employment Opportunity practices, and staff development policies. Development of salary administration procedures, employee performance appraisal policies, and the Council compensation plan (Section 4(b)(3)) also are included.
5. Administrative support. The Administrative Division provides support for Council meetings and hearings, including scheduling, room arrangements, recording, and transcription requirements. Contract funds (\$35,000) are allocated for preparing minutes of meetings. Mail and copying services, maintenance of the Council's mailing lists, and office reception activities also are provided by the administrative staff. Contract funds (\$5,000) are used for administrative audits and studies, office systems analysis, retirement/pension plan matters, compensation/benefits planning, management audits, and information systems support. The Administrative Division also is accountable for planning office space, communication systems, office equipment systems such as mailing, copying, and computer systems, and administrative records.

Staffing

Staffing levels remain the same in Fiscal Year 2018 and 2019.



Expenditures by Category						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
Compensation	\$860	\$881	\$879	\$908	\$900	\$928
Taxes, Insurance & Benefits	441	414	443	427	441	436
SUBTOTAL	\$1,301	\$1,295	\$1,322	\$1,335	\$1,341	\$1,364
TRAVEL						
Staff - Admin	\$14	\$26	\$26	\$26	\$26	\$28
Staff - Data Processing	3	3	3	3	3	3
SUBTOTAL	\$17	\$29	\$29	\$29	\$29	\$31
CONTRACTS (See detail Table 13)	32	40	40	40	40	90
OTHER OPERATING EXPENSES (See detail Table 13)	894	937	871	950	930	929
TOTAL	\$2,244	\$2,301	\$2,262	\$2,354	\$2,340	\$2,414

Supplemental Expenditures						
(000s omitted)						
	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
I. CONTRACTS						
A. Meeting Minutes	\$32	\$35	\$35	\$35	\$35	\$35
B. Administrative Review	\$0	0	0	0	0	0
C. Outside Legal Services	0	5	5	5	5	5
TOTAL	\$32	\$40	\$40	\$40	\$40	\$40
II. OTHER OPERATING EXPENSES						
A. Employee Recruiting	\$2	\$40	\$0	\$20	\$25	\$15
B. Staff Development	2	5	3	10	5	5
C. Office Supplies	22	25	25	25	25	25
D. Freight	10	8	9	8	8	8
E. Telephone	43	50	45	55	55	55
F. Postage	5	11	5	13	10	11
G. Payroll Processing Services	11	13	13	15	13	13
H. Reference Materials	2	1	1	1	1	1
I. Meetings	47	60	60	60	60	60
J. Rent	321	390	390	402	402	405
K. Insurance	17	20	20	22	22	22
L. Equipment Rental	48	50	50	50	50	50
M. Repair and Maintenance	0	10	3	15	5	5
N. Accounting Software/Support	0	5	3	5	5	5
O. Audit and Accounting	54	60	55	60	55	60
P. Mailing Services	0	0	0	0	0	0
Q. Furniture and Equipment	15	15	15	15	15	15
R. Record Storage	0	0	0	0	0	0
S. Temporary Services	4	5	5	5	5	5
T. Computer Serv. & Supply	291	165	165	165	165	165
U. Computer Staff Development	0	4	4	4	4	4
TOTAL	\$894	\$937	\$871	\$950	\$930	\$929

State Budgets

State Council office organization

Idaho, Montana, Oregon, and Washington passed enabling legislation authorizing state participation on the Council. Two Council members are appointed by the governor of each state (Section 4 (a)(2)(B) of the Power Act). Each state Council office is an entity of its respective state government. The central office of the Council provides the budgeting, accounting, payroll and benefits administration for state Council offices. Supplemental budget requests, if required, would be subject to the formal budget amendment process of the Council. The states of Oregon and Washington have Council offices in both the eastern and western portions of their respective states.

Each state individually budgets for those activities necessary to carry out that state's participation and responsibilities under the Act. These funds provide for the Council members' compensation, travel, staff support, and office expenses. Each state has the option to hire staff, to use outside contractors or the technical services of other state agencies to analyze the impact of the Plan and Program on the state, to develop state public information and involvement programs, and for administrative support. State budgets can vary both in the "personal services" category and the "contracts" category, depending upon the type of Council organization in each state. Use of state energy agency and/or fish and wildlife agency staff provides Council members with technical support on state policies and issues related to the Council's Fish and Wildlife Program and the Power Plan. Council members use their own staff for most technical review activities.

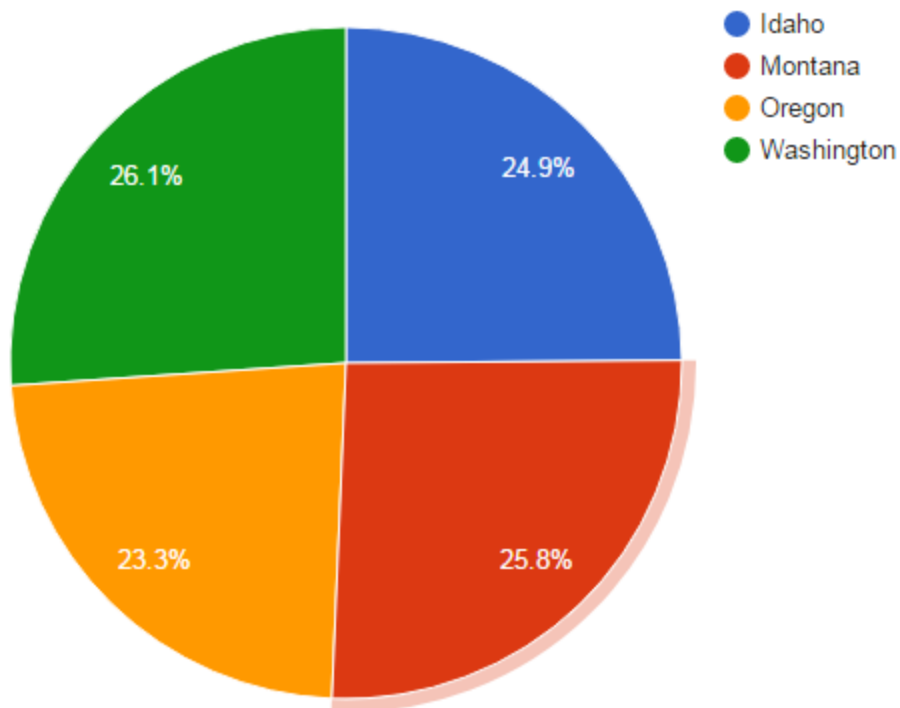
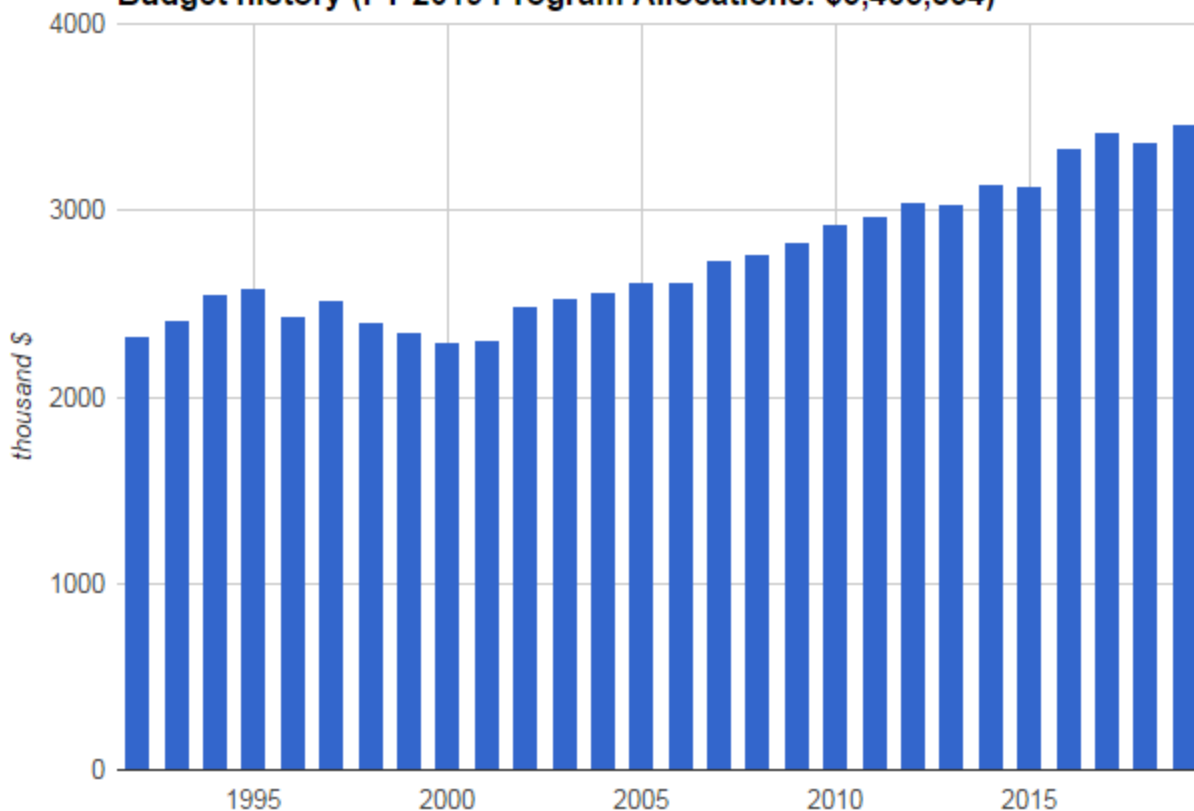
State Council offices carry out the following activities:

1. Represent state interests. Council members represent state interests as well as regional interests in all fish and wildlife and energy system matters. This involves establishing and maintaining close working relationships with entities within their states that have a stake in the outcome of the Council's planning efforts. These include, but are not limited to, entities that are operators of hydroelectric projects, public and private utilities, groups concerned with protection of the environment, state fish and wildlife agencies, energy regulatory agencies, and legislative and local government rulemaking bodies.
2. Technical review. Council members may require technical assistance and review capability to assess the impacts of regional issues that come before the Council on their state programs, laws, and practices. This technical review is provided by state Council staff and/or other state agency staff. Examples of regional Council issues that can affect each state differently include: implementation of the protected-areas rules in the Fish and Wildlife Program, hatchery and habitat projects, wildlife mitigation projects, and Columbia River operations for salmon recovery.
3. Public information and involvement. While the Council's central office is responsible for developing material for the Council's public information and involvement programs, each state implements public involvement activities that are focused on Council issues that have a specific impact in that state. In addition, each state may use local advisory committees and town hall meetings for consultations on certain aspects of the Council's planning. This also can involve preparation of information regarding statewide energy and fish and wildlife issues. State public information and involvement activities are provided by state Council staff or with the assistance of other state agencies.
4. Administrative support. Council members and their secretarial/clerical staff are provided office space and office services (telephone, supplies, copier, and computer support) sometimes by a state agency such as the governor's office or energy office. Fiscal services such as payroll, accounts payable, budget,

and audit also can be provided, although these are often provided by the Council's central office. Administrative support services are provided either on a direct-charge basis or through an approved indirect overhead rate.

Detailed budgets for each state Council office are shown below.

Budget history (FY 2019 Program Allocations: \$3,465,854)



FY 2019 State Budgets

(000s omitted)

	Idaho	Montana	Oregon	Washington	Total
Salaries	\$464	\$436	\$432	\$510	\$1,842
Taxes, Insurance & Benefits	218	253	190	224	885
SUBTOTAL	\$682	\$689	\$622	\$734	\$2,727
TRAVEL	75	85	75	75	310
CONTRACTS	30	30	11	20	91
OTHER OPERATING EXPENSES	75	90	98	74	337
TOTAL	\$862	\$894	\$806	\$904	\$3,466

Idaho

(000s omitted)

	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
Compensation	\$430	\$443	\$445	\$453	\$454	\$464
Taxes, Insurance & Benefits	200	208	205	213	213	218
SUBTOTAL	\$630	\$651	\$650	\$666	\$667	\$682
TRAVEL	60	70	65	80	70	75
CONTRACTS	32	30	30	30	30	30
OTHER OPERATING EXPENSES						
A. Employee Training	1	1	1	1	1	1
B. Office Supplies	2	8	8	8	8	8
C. Telephone	11	14	14	14	14	14
D. Postage	1	1	1	1	1	1
E. Office Rent	29	32	43	34	44	45
F. Dues/Subscriptions	1	1	1	1	1	1
G. Meeting Room Rental	0	1	0	1	1	1
H. Miscellaneous Expense	0	1	0	1	1	1
I. Repair/Maintain Equipment	3	5	3	5	3	3
J. Equipment Rental	0	0	0	0	0	0
SUBTOTAL	\$48	\$64	\$71	\$66	\$74	\$75
TOTAL	\$770	\$815	\$816	\$842	\$841	\$862

Montana

(000s omitted)

	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
Compensation	\$406	\$422	\$414	\$435	\$423	\$436
Taxes, Insurance & Benefits	235	242	237	244	245	253
SUBTOTAL	\$641	\$664	\$651	\$679	\$668	\$689
TRAVEL	52	80	60	85	85	85
CONTRACTS	23	30	30	30	30	30
OTHER OPERATING EXPENSES						
A. Employee Training	1	2	2	2	2	2
B. Office Supplies	3	11	8	11	11	11
C. Telephone	12	13	12	13	13	14
D. Postage	3	3	3	3	3	3
E. Office Rent	40	42	41	44	44	46
F. Dues/Subscriptions	1	1	1	1	1	1
G. Meeting Room Rental	1	1	1	1	1	1
H. Miscellaneous Expense	4	1	1	1	1	1

I. Repair/Maintain Equipment	3	3	3	3	3	3
J. Office Utilities and Maintenance	5	7	7	8	8	8
SUBTOTAL	73	84	79	87	87	90
TOTAL	\$789	\$858	\$820	\$881	\$870	\$894

Oregon

(000s omitted)

	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
Compensation	\$403	\$416	\$416	\$426	\$422	\$432
Taxes, Insurance & Benefits	186	183	186	187	186	190
SUBTOTAL	\$589	\$599	\$602	\$613	\$608	\$622
TRAVEL	58	75	65	75	75	75
Contracts	6	11	11	11	11	11
OTHER OPERATING EXPENSES						
A. Employee Training	1	1	3	1	3	3
B. Office Supplies	2	2	2	2	2	2
C. Telephone	3	4	5	4	5	5
D. Postage	0	0	0	0	0	0
E. Office Rent	43	45	45	45	45	45
F. Dues/Subscriptions	0	0	0	0	0	0
G. Meeting Room Rental	0	0	2	0	2	2
H. Temporary Staffing Expenses	36	40	40	40	40	40
I. Repair/Maintain Equipment	0	1	1	1	1	1
J. Equipment Rental	0	0	0	0	0	0
SUBTOTAL	85	93	98	93	98	98
TOTAL	\$738	\$778	\$776	\$792	\$792	\$806

Washington

(000s omitted)

	FY16 Actual	FY17 Budget	FY17 Estimate	FY18 Budget	FY18 Revised	FY19 Budget
Compensation	\$422	\$488	\$455	\$506	\$493	\$510
Taxes, Insurance & Benefits	174	215	190	223	217	224
SUBTOTAL	\$596	\$703	\$645	\$729	\$710	\$734
TRAVEL	63	70	70	70	70	75
CONTRACTS						
A. Contract Services	0	5	5	5	5	5
B. EWU Indirect	12	15	15	15	15	15
SUBTOTAL	12	20	20	20	20	20
OTHER OPERATING EXPENSES						
A. Employee Training	1	1	1	1	1	1
B. Office Supplies	5	5	5	5	5	5
C. Telephone	6	10	8	10	10	10
D. Postage	0	1	0	1	1	1
E. Office Rent	14	17	17	17	17	17
F. Dues/Subscriptions	0	1	0	1	1	1
G. Meeting Room Rental	0	1	0	1	1	1
H. Temporary Staffing Expenses	24	35	27	35	35	36
I. Repair/Maintain Equipment	1	2	1	2	2	2
J. Equipment Rental	0	0	0	0	0	0
SUBTOTAL	51	73	59	73	73	74
TOTAL	\$722	\$866	\$794	\$892	\$873	\$904

Fiscal Year 2018 Revised Budget

The Fiscal Year 2018 revised budget total is unchanged from the budget adopted in 2016.

Central Council Budget

Personal Services

Personal services for the central staff decreased by \$88,000 in Fiscal Year 2018 due to staffing changes in the power and fish and wildlife divisions. Staffing levels remain the same as those projected last year.

Travel

The Fiscal Year 2018 travel budget remains the same.

Contracts

The Fiscal Year 2018 contracting budget increases by \$157,000 to reflect increased contracting needs in the power division for updating analytical models and in the public affairs division for website redesign services.

Other Operating Expenses

Costs in the category decrease by \$39,000. This reflects lower maintenance and repair cost projections and a decrease in the anticipated cost of print publications.

State Budgets

The Idaho Office revised budget for Fiscal Year 2018 decreases by \$1,000.

The Montana Office revised budget for Fiscal Year 2018 decreases by \$11,000 to reflect decreased staffing costs.

The Oregon Office revised Fiscal Year 2018 budget decreases by \$1,000.

The Washington Office revised budget for Fiscal Year 2018 decreases by \$19,000 reflecting a decrease in anticipated staffing costs.

The following table shows in detail the Fiscal Year 2018 budget revisions by expenditure category for each division and the state offices.

Categorical Comparisons

(000s omitted)

	Compensation			Travel			Contracts			Other Operating			Total Change
	FY18 Budget	FY18 Revision	Change	FY18 Budget	FY18 Revision	Change	FY18 Budget	FY18 Revision	Change	FY18 Budget	FY18 Revision	Change	
Central Office Divisions:													
Power Planning	\$2,305	\$2,248	(\$57)	\$96	\$96	\$0	\$300	\$407	\$107	\$209	\$204	(\$5)	\$45
Fish and Wildlife	1,313	1,285	(28)	65	65	0	135	135	0	8	8	0	(\$28)
Public Affairs	710	704	(6)	60	60	0	50	100	50	132	113	(19)	\$25
Legal	431	428	(3)	24	24	0	8	8	0	18	23	5	\$2
Administration	1,335	1,341	6	29	29	0	40	40	0	950	930	(20)	(14)
Subtotal - Central	\$6,093	\$6,005	(\$88)	\$274	\$274	\$0	\$533	\$690	\$157	\$1,317	\$1,278	(\$39)	\$30
State Offices:													
Idaho	\$666	\$667	\$1	\$80	\$70	(\$10)	\$30	\$30	\$0	\$66	\$74	\$8	(\$1)
Montana	679	668	(11)	85	85	0	30	30	0	87	87	0	(11)
Oregon	613	608	(6)	75	75	0	11	11	0	93	98	5	(1)
Washington	729	710	(19)	70	70	0	20	20	0	73	73	0	(19)
Subtotal-State Office	\$2,687	\$2,653	(\$34)	\$310	\$300	(\$10)	\$91	\$91	\$0	\$319	\$332	\$13	(\$31)
TOTAL	\$8,780	\$8,659	(\$122)	\$584	\$574	(\$10)	\$624	\$781	\$157	\$1,636	\$1,610	(\$26)	(\$1)

Appendix A. Fiscal Year 2018 Revisions

FY 2018 Budget Revisions			
(000s omitted)			
	BUDGET	REVISION	CHANGE
Compensation	\$4,145	\$4,073	(\$72)
Other Payroll Expenses	1,948	1,932	(16)
Total Compensation/Payroll	\$6,093	\$6,005	(\$88)
Travel	274	274	0
Contracts	533	690	157
Other Operating Expenses	1,317	1,278	(39)
Total Travel/Contract/Other	\$2,124	\$2,242	\$118
Idaho	\$842	\$841	(\$1)
Montana	881	\$870	(11)
Oregon	792	\$792	0
Washington	892	\$873	(19)
Total States	3,407	3,376	(31)
TOTAL	\$11,624	11,623	(\$1)

Appendix B. Information Systems

The Council began to develop its information systems capability in 1982 with the installation of the comprehensive computer models necessary to draft the first Power Plan. Since then, the Council has continued to invest in computing equipment and software programs to support power system and fish and wildlife computer models and databases, as well as the Council's growing reliance on computers for business operations and desktop publishing, networking, and the Internet for public information and involvement activities.

The Council has integrated computers extensively into its planning activities and support services providing the planning capabilities needed to carry out its functions and responsibilities with minimum staffing levels and limited outside contracting, as well as the communications power to interact with interested individuals, agencies, and entities around the world. Power Division staff use the Council's networking capabilities to develop, monitor, and support complex computer models and extensive databases for system analysis, decision analysis, and statistical analysis. Fish and wildlife staff coordinate with related agencies, monitor recovery programs, real-time river information, and Bonneville spending, and run fish-production and fish-passage models as well as river-reach and system-production planning databases.

Major Applications

Examples of major information systems include:

- Fish-recovery projects monitoring process
- Council websites, electronic mail services and ftp document access
- RPM and Aurora modeling
- System Analysis Model and its descendants
- GENESYS resource analysis model - to evaluate system reliability.
- OLIVIA economic portfolio risk analysis
- Data bases - conservation measures, river reaches, hydropower system, administrative records, and mailing lists.

Equipment

The Council uses a network of personal computers and Windows servers, in a cluster of Virtual hosts and data storage devices to support Council programs. Several laser and color printers support the Council's publication activities. These systems are securely connected to Internet.

The state offices also use networked personal computers for both administrative and technical support to their Council members and staff. All the state offices have access to the Internet for electronic mail and data exchange with each other and with other state agencies, organizations, and constituents.

Council staff continue to be mobilized throughout the region by use of mobile technologies such as wireless networking, remote e-mail and file access, and smartphones.

Software

Council staff uses computers in nearly all aspects of daily work. To maintain and improve the value of staff involvement in regional planning and evaluation efforts, IT Staff plan regular updates to operating system and application software to ensure secure and compatible connections one to another and with other regional entities.

Over the past several years, staff members have exchanged some on premise software applications for Cloud based Software as a Service (SaaS) products reducing cost of maintenance and increasing readiness and availability. While these shifts have occurred in lower use small working groups, the trend continues to grow and is expected to eventually apply to all Council staff as newer Cloud based software products reach adoption.

Computer Systems Planning

The Council staff identifies long-range IT systems support requirements based on three-year IT plans. The current IT plan includes continued leveraging of Virtualization in support of systems key to developing the next Power plan. Increased computing capacity and ease in provisioning virtual computing resources is expected to greatly enhance overall performance of modeling and other systems enhancing staff effectiveness. Further expansion into Cloud based software and services continues to be a priority as these products and services reach maturity and become suitable to meeting the Council's needs.

All costs associated with information systems are aggregated in the following tables. The budgets for Fiscal Year 2018 revised and Fiscal Year 2019 reflect current-level staff services with some adjustment for contracted software/hardware support. Any costs associated with the replacement of current hardware/software systems will be accomplished within existing computer funding levels and/or by Council authorization for reprogramming of unexpended funds in other budget categories.

Expenditures by Category			
(000s omitted)			
	FY17 Estimate	FY18 Revised	FY19 Budget
Compensation	\$168	\$174	\$180
Taxes, Insurance & Benefits	79	82	85
SUBTOTAL	\$247	\$256	\$265
TRAVEL			
Regional	4	3	3
Out-of-Region	0	0	0
SUBTOTAL	\$4	\$3	\$3
CONTRACTS (see next table)	0	0	0
OTHER OPERATING EXPENSES (see next table)	140	140	140
TOTAL	\$391	\$399	\$408
Supplemental Expenditures			
(000s omitted)			
	FY17 Estimate	FY18 Revised	FY19 Budget
I. CONTRACTS			
A. Hardware/Software Support	0	\$0	\$0
TOTAL	\$0	\$0	\$0
II. OTHER OPERATING EXPENSES			
A. Equipment Maintenance Agreements	\$15	\$17	\$18
B. Staff Development	4	4	4
C. Space	5	5	5
D. Supplies	23	25	28
E. Communications	15	15	17
F. Capital Investments:			
1. Hardware	54	60	50
2. Software	24	14	18
3. Site	0	0	0
G. Temporary Technical Support	0	0	0
TOTAL	\$140	\$140	\$140

Appendix C. Fiscal Year 2019 Budget Council Showing

I. The Northwest Power Act

Section 4(c)(10)(A) of the Northwest Power Act directs the administrator of the Bonneville Power Administration to pay the expenses the Council determines are necessary or appropriate for the performance of its functions and responsibilities, including reimbursement to those states with members on the Council. This section also establishes a funding limitation equal to 0.02 mills multiplied by the kilowatt-hours of firm power forecast to be sold by Bonneville during the year to be funded. Upon an annual showing by the Council that such limitation will not permit the Council to carry out its functions and responsibilities under the Act, the administrator may raise such limit to any amount not in excess of 0.10 mills. The literal interpretation of the word “showing” requires that the Council provide evidence that: 1) substantiates that annual funding in the amount provided by the 0.02 mills of firm forecast power sales will not be adequate to carry out its functions under the Act; and 2) explains the basis on which additional funding is required. The Council’s budget document is intended to provide sufficient information to meet these criteria. The organization of the budget document and the level of detail provided shows how the Council intends to use the funding provided to carry out its major responsibilities under the Act.

In Fiscal Year 2019, based upon Bonneville’s forecast of firm power sales (as of 2016 Final Rate Proceeding), the 0.02-mill funding level is \$2,477,305. The 0.10-mill funding limit is \$12,386,526. The funding requirement, as determined by the Council, for Fiscal Year 2019 is \$11,914,000, which is equal to 0.096 mills of forecast firm power sales based on the following Council functions and responsibilities.

II. Council Functions/Responsibilities

The Council’s minimum responsibilities under the Act fall into five general categories:

1. **Northwest Power Plan.** Adopt and periodically amend a regional conservation and electric power plan that includes: energy conservation programs, 20-year forecasts of electric energy demands, 20-year power resource forecasts, cost-effective methods for providing regional reliability and reserves, and methods for determining quantifiable environmental costs and benefits (Sections 4(d) and 4(e) of the Act).
2. **Columbia River Basin Fish and Wildlife Program.** Develop, adopt, and periodically amend the Program to protect, mitigate, and enhance fish and wildlife affected by development and operation of hydroelectric projects in the Columbia River Basin. Report annually to Congress on the effectiveness of the Program and the extent to which the Program is being implemented, and assist development of Program amendments (Sections 4(h), 4(g) and 4(i)).
3. **Public information and public involvement.** Provide for the participation of the Pacific Northwest states, local governments, consumers, customers, users of the Columbia River system (including federal and state fish and wildlife agencies and appropriate Indian tribes), and the public at large in planning for the Northwest’s electric power and protection of Columbia River Basin fish and wildlife affected by hydropower. Develop and maintain comprehensive programs to inform the public of major regional power and fish and wildlife issues (Sections 2(3) and 4(g)).
4. **Other responsibilities.** In addition to the above responsibilities, the Council is directed to establish voluntary advisory committees it determines are necessary to assist in the development, collection, and evaluation of statistical, biological, economical, social, and environmental information relevant to

the Council's development and amendment of a regional conservation and electric Power Plan and Fish and Wildlife Program (Section 4(c)(11) and (12)).

5. The Council is required to conduct **public meetings** throughout the region as part of its process for developing and amending the regional Power Plan and Fish and Wildlife Program (Section 4(d)(1)).
6. **Organization requirements.** In addition to the Council determining its funding requirements, the Act also provides that the Council shall determine its organization and prescribe its practices and procedures for carrying out its functions and responsibilities under the Act (Section 4(c)(4)). As part of its budget-development process, the Council publishes for public review and comment its organization chart, practices, procedures, and funding requirements associated with the above responsibilities. The Council also distributes for public review and comment its annual work plans for power planning and Fish and Wildlife Program activities. Following public comment, an annual report describing the Council's activities is published and forwarded to Congress.

III. States' Participation

The first component of the Council's budget is the funding necessary to support each state's participation as provided by the Act. This portion of the Council's budget covers the funding for the Council members' operation of their state offices, local public involvement efforts, and technical support necessary to provide a suitable state review capability of those energy and fish and wildlife issues having a particular impact on the respective states. Oregon and Washington require that the Council offices be established in both the eastern and western portions of the states.

The states' portion of the budget for Fiscal Year 2019 is \$3,466,000, equivalent to 0.028 mills in firm power sales. See the States section for line item expenditure projections and a description of state Council activities.

IV. Central Council – Power Division

The regional electric power and conservation planning responsibilities established by the Act are carried out by a centralized technical staff. The Power Division analyzes changing conditions and monitors implementation of the Power Plan. Outside contracting occurs to a limited extent to augment research done by other entities or to provide technical capability that the Council does not possess. The Council conducts independent regional analysis by using computer modeling and analytical methods with data collected by outside sources (advisory committees are utilized to the extent appropriate).

The power planning portion of the Council's Fiscal Year 2019 budget is \$2,970,000, equivalent to 0.024 mills in firm power sales. See the Power Division section for line item expenses for power planning and a description of program actions.

V. Central Council – Fish and Wildlife Division

The activities necessary for implementing of the Fish and Wildlife Program, reviewing actions of Bonneville and others to determine consistency with the Program, and developing Program amendments are conducted by a central staff of fish and wildlife specialists (excluding management and administrative support). The fish and wildlife planning efforts of the staff focus on mainstem passage and flows, system/subbasin production planning, research coordination, new hydropower development and actions by the Federal Energy Regulatory Commission, wildlife mitigation, resident fish and fish substitutions, and habitat and tributary passage.

Monitoring and evaluation of Fish and Wildlife Program effectiveness, as well as facilitating the resolution of barriers to implementation of specific Program measures, are two of the most significant activities of the Fish and Wildlife Division.

The fish and wildlife portion of the Council's budget for Fiscal Year 2019 is \$1,572,000, equivalent to 0.013 mills in firm power sales. See the Fish and Wildlife Division section for line item expenditure projections and a description of the Fish and Wildlife Division program.

VI. Central Council – Public Affairs Division

The Council's Public Affairs Division develops and maintains comprehensive programs to inform and involve the public in major regional power and fish and wildlife issues. This includes consultations with Bonneville, Bonneville customers, fish and wildlife agencies, Indian tribes, and others. Public affairs staff also: 1) coordinate contacts with Congress; 2) monitor federal appropriations and budget committee actions to implement the Fish and Wildlife Program and the energy plan; 3) provide information to congressional committees; and 4) coordinate Council testimony before House and Senate committees.

The Council maintains an extensive mailing list (more than 15,000 individuals and organizations) as a major part of its outreach efforts to inform interested parties and to solicit their participation in the Council's regional planning activities.

The principal way in which the Council attempts to reach the public is through its publications. These include a quarterly publication, Council Quarterly, an annual report to Congress, an annual report to the Governors on Bonneville spending to implement the Fish and Wildlife Program, summaries of current Council issues, and the Council's public meeting agenda. The Council also reaches the public through the various media, including briefings for editors/reporters, Council meeting press packets, news releases, feature stories in a variety of publications and advertising the availability of the Council's major documents. The Council maintains its website where agendas, summaries of issues and activities, and all major Council publications are available.

The Public Affairs Division portion of the Council budget for Fiscal Year 2019 is \$998,000, equivalent to 0.008 mills in firm power sales. See the Public Affairs Division section for line item expenditure projections and program descriptions for public affairs.

VII. Central Council – Legal Division

Legal services are provided by three attorneys who provide administrative support and general legal advice, as well as support for the power planning, fish and wildlife, and public information and involvement programs.

Legal advice and representation, as well as the development of Council rules and procedures, including the negotiation of contracts, are provided by the Legal Division. The division participates in scheduled revisions of the energy plan and the Fish and Wildlife Program by providing legal counsel at public hearings and consultations with interested parties, assisting and drafting amendments, and maintaining the administrative record of Council actions and rulemakings.

The Legal Division serves a necessary role in helping oversee the implementation of the Power Plan and the Fish and Wildlife Program by Bonneville, the U.S. Army Corps of Engineers, the Bureau of Reclamation, the Federal Energy Regulatory Commission, and other agencies and utilities. Legal representation of the Council in

appeals of its Plan, Program, and other actions is provided, although no funding is provided for unanticipated litigation.

Administrative law support is necessary for administrative proceedings and addressing institutional legal questions, as well as ensuring that the Council adheres to the provisions of the Sunshine Act, the Freedom of Information Act, Administrative Procedures Act, government contracting practices, administrative record, and advisory committees.

The legal services portion of the Council's budget for Fiscal Year 2019 is \$495,000, equivalent to 0.004 mills of forecast firm power sales. See the Legal Division section for projection of line item expenditures and a description of specific activities.

VIII. Central Council – Administrative Division

The Administrative Division provides the executive direction for all central Council operations and administrative and financial support for the Council.

The office of the executive director provides the direction for all staff work on Council programs and for program support services. Financial and administrative services are provided, including budget development, audits, contract management, accounting/payroll systems, and personnel administration.

The cost of management services and supplies that are applicable to all divisions are aggregated in the Administrative Division budget. The major expense components are office rent, telephone, office supplies, postage/ mailing, equipment rental, audit fees, insurance, and computer support services.

The Administrative Division portion of the Council's budget for Fiscal Year 2019 is \$2,005,000 equivalent to 0.016 mills of firm power sales. See the Administrative Division section for line item expenditure projection and activity descriptions.

IX. Central Council – Information Systems

The Council has fostered a high degree of computer integration with its planning activities and support services. Computer systems and software are necessary to give the Council the capability to carry out its functions and responsibilities with minimal staffing levels and limited outside contracting. Complex computer models and extensive data bases are operated and maintained for system analysis, decision analysis, load forecasting, and statistical analysis, as well as for hydropower system, power resource and conservation data bases. Fish and wildlife planning uses fish-production and fish-passage models, as well as river reach and system-production planning databases. The Administrative Division uses the Council's computer systems for maintaining administrative records requirements, word processing and for all accounting/budget tasks. The Council also has developed a computer communications network capability that allows computer linkage with Bonneville, certain agencies and tribes, utility organizations, state Council offices, and the Internet.

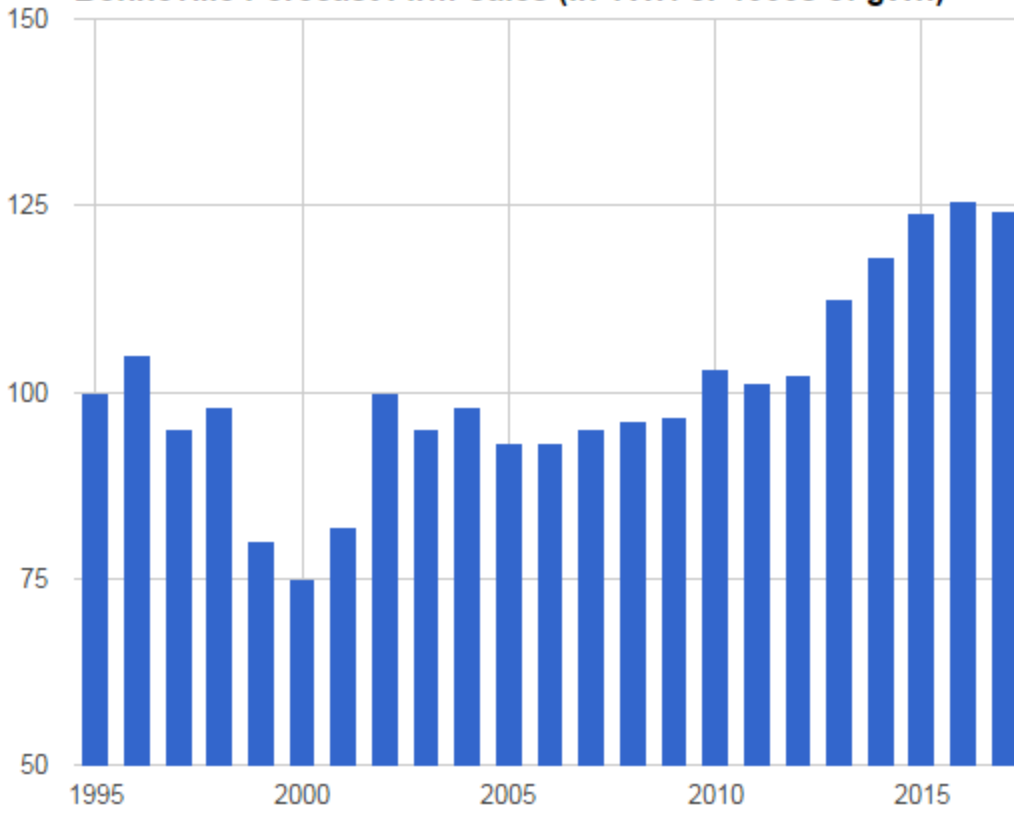
The information services portion of the Council's budget for Fiscal Year 2019 is \$408,000, equivalent to 0.003 mills of forecast firm power sales. These costs are included in the Administrative Division's budget. A more detailed description of the information systems function is contained in Appendix B of this budget document.

X. Summary

Based on this showing and the supporting detailed information contained in this budget document, the Council has determined that the 0.02 mill limitation will not allow the Council to carry out its functions and responsibilities under the Act and that the following budget expenditures proposed for Fiscal Year 2019 are necessary and appropriate.

	FY 2019	
States participation	\$3,466,000	0.028 mills
Central Council:		
Power Planning	2,970,000	0.024 mills
Fish and Wildlife	1,572,000	0.013 mills
Public Affairs	998,000	0.008 mills
Legal	495,000	0.004 mills
Administrative	2,413,000	0.019 mills
TOTAL	\$11,914,000	0.096 mills

Bonneville Forecast Firm Sales (in TWH or 1000s of gWh)



Council Budget

