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June 6, 2017

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Tony Grover

SUBJECT: Update on Cost Savings Workgroup activities

BACKGROUND:

Presenters: Tony Grover, Bryan Mercier (Bonneville) and staff

Summary: At the Fish and Wildlife Committee, staff will brief the members on the Cost Savings Workgroup meeting held on June 1, 2017. The Workgroup's agenda included: 1) a quarterly report from Bonneville on potential savings using the mechanistic approach¹; 2) update a table to track cost savings identified and their allocation, 3) report on the process to update the cost savings methodology, 4) a recommendation to begin development of two Requests for Information (RFI) – the first for lamprey projects and the second for floodplain reconnection with an emphasis on cold water habitat projects, 5) a recommendation to conduct a policy review of the number, location and utility of BPA funded rotary screw traps for juvenile salmonid monitoring and, 6) discussion of additional topics for consideration for potential policy reviews of a discrete group of related projects.

Relevance: The cost savings workgroup implements the language on page 116 of the 2014 Fish and Wildlife Program: *'Bonneville should fund any new fish and wildlife obligations from identifying savings within the current program...'*

¹ "The workgroup will annually compile and analyze the quarterly reports and the comments received to inform the Council in its consideration of project close-outs and cost reductions. The process should be done in a way that works within Bonneville's budget and contracting constraints, and should commence in February of each year..."

Background:

Council member Anders chairs the Cost Savings Workgroup (CSW), which is composed of Bryan Mercier, Peter Cogswell, and Scott Donahue of BPA and Kerry Berg, Lynn Palensky, Laura Robinson and Tony Grover, all Council staff. The cost savings workgroup initially developed a cost savings methodology, which was approved by the Council at the regular July 2015 meeting in Spokane. Additional information about the cost savings workgroup and the [methodology](#) can be found on the Council's website, including a 'frequently asked questions' document that explains what the cost savings workgroup does and how it goes about identifying and vetting potential cost savings. Experience gained over the last two years suggests a need to update the methodology to accurately reflect this joint BPA/Council initiative.

To date, the Council has recommended to BPA the use of \$140,000 of the identified cost savings for a habitat assessment above Chief Joseph dam (\$100,000) and for Lake Roosevelt northern pike suppression efforts (\$40,000). The Council also recommended to allocate \$200,000 of cost savings to address mission critical operation and maintenance infrastructure work at Bonneville funded hatchery programs. Three (3) white sturgeon projects were recently approved by the Committee and are before the Council this month for a decision to recommend the use of cost savings for two of those projects and the use of Accord funds for the third (see separate memo on the full Council agenda.)

Note: All decisions for the use of cost savings have stimulated the use of accord funds beyond the funds identified in the table below.

As previously described, BPA has created a reserve fund for cost savings in FY 2017. The availability of funds is dependent on: 1) the spending trajectory within the rate period, and 2) developing a process to reallocate funds to other priorities. At this time, the CSW anticipates additional funding from close-outs to become available in FY 2018 and 2019 beyond the \$651,915 FY2017, as referred to above.

Quarterly report from Bonneville on savings using the mechanistic approach

Bonneville has identified an additional \$75,000 in cost savings to be realized in FY2018 from project 2010-034-00, *Upper Columbia Spring Chinook and Steelhead Juvenile and Adult Abundance, Productivity and Spatial Structure Monitoring*, a WDFW life cycle model development and RME project.

Table to track cost savings identified and potential use of those savings

Cost Savings Tracking Sheet					
		2016	2017	2018	2019
Credit					
2007-404-00	Captive Brood		\$355,007	\$432,780	\$432,780
1982-013-03	CWT-USFWS		\$29,162	\$29,162	\$29,162
2006-006-00	HEP	\$90,502	\$90,502	\$90,502	\$90,502
2010-076-00	Snake River RME	\$92,244	\$92,244	\$92,244	\$92,244
2010-033-00	RRS-Methow		\$85,000	\$85,000	\$85,000
2003-063-00	RRS-Abernathy			\$196,670	\$393,340
2007-299-00	RRS-Deschutes			\$110,000	\$220,000
2010-034-00	UC Spring Chinook RME			\$75,000	\$75,000
Total identified		\$182,746	\$651,915	\$1,036,358	\$1,343,028
Debit			2017	2018	2019
2016-003-00	Blocked area		\$100,000		
1994-043-00	N. Pike		\$40,000		
	Sturgeon RFI			\$283,000	\$233,000
	O&M		\$115,000	TBD	TBD
Total allocated		\$0	\$255,000	\$283,000	\$233,000
Unallocated*		\$182,746	\$396,915	\$753,358	\$1,110,028

* unallocated funds will be moved to BPA reserves on Sept. 30

Report on the process to update the cost savings methodology

Laura Robinson will report on the process to develop a proposed update to the Cost Savings methodology, which was first adopted by the Council two years ago. The Council and Bonneville have gained significant experience in the interim, which suggests an update to the methodology to reflect that experience would be appropriate.

Requests for Information (RFIs)

The cost savings workgroup recommends staff develop two Requests for Information (RFI) – the first for lamprey projects and the second, on a somewhat longer schedule, to work with key regional partners to develop enough information to generate a RFI for floodplain reconnection and cold water habitat projects.

Policy review of Bonneville funded Rotary Screw Traps

The cost savings workgroup recommends staff and Bonneville conduct a policy review on the location, number, and utility of BPA funded rotary screw traps for juvenile salmonid monitoring. This review would most likely occur in October 2017.

The policy review of the screw traps component of the smolt monitoring program may include:

- a) Locate, confirm basic data (years of operation, objectives, methodologies employed by the operators, etc.), conduct a policy level review of all screw traps funded by BPA, and examine for geographic efficiencies based on identified needs.
- b) Consider the ability of the trap to meet its objectives. For example, many screw traps are operated to estimate outmigrant abundance, but the confidence in the abundance estimates are routinely as large or larger than the estimate itself (due to low or variable trapping efficiency), thereby rendering the outmigrant estimate of limited value.
- c) Consider the data management aspect of the program(s) – is the operator exercising best practices for data management (i.e. strong data management plan, timely flow of data into an identified data repository, etc.)

Staff recommends this policy review be conducted in a manner similar to last October's Relative Reproductive Success project review, which consisted of gathering basic information, developing questions for project managers, compiling the information received in response to questions, a day-long meeting in Portland with the project leads that use screw traps and then a final set of recommendations by the cost savings workgroup to the Committee and the Council. The recommendations may suggest an ISRP review in some instances.

Potential future policy reviews

Cost savings workgroup members will discuss additional topics for consideration for potential policy reviews of a discrete group of related projects:

- Location, number, and utility of Bonneville funded PIT tag detection arrays.
- Review of the use of genetics tools and methods
- Stream temperature monitoring
- Nutrient enhancement studies