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July 5, 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 July 6, 2017. The Workgroup's agenda included: 1) preparing for the rotary screw trap policy review, 2) development of an RFI for Lamprey work, 3) strategy for developing a tributary cold water habitat RFI as part of the floodplain restorations priority, and, 4) timing and process to update the cost savings methodology.

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...'*

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.

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.

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

Cost Savings Tracking Sheet					
Credit		2016	2017	2018	2019
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