

JUDI DANIELSON  
CHAIR  
Idaho  
  
Jim Kempton  
Idaho  
  
Gene Derfler  
Oregon  
  
Melinda S. Eden  
Oregon  
  
Steve Crow  
Executive Director



TOM KARIER  
VICE-CHAIR  
Washington  
  
Frank L. Cassidy Jr.  
"Larry"  
Washington  
  
Ed Bartlett  
Montana  
  
John Hines  
Montana

August 5, 2003

## MEMORANDUM

**TO:** Council Members  
  
**FROM:** Patty O'Toole  
  
**SUBJECT:** 2003 project budget adjustments for August meeting

### Action

Following the Council's February 21st recommendations for Fiscal Year 2003 accrual based project budgets to Bonneville, the staff has worked with Bonneville to discuss the impacts of these recommendations and adjust project budgets as necessary if funds are made available.

Council staff will present Bonneville's request for additional project budget adjustments at the August 2003 meeting.

### Recommendation

The staff recommends that the additional Fiscal Year 2003 funding for the attached list of projects, in the amount of \$1,121,510 be *conditionally* approved and that Bonneville be informed of these Council recommendations accordingly. The Council staff recommends approval of these projects *only if* Bonneville and Council staff can identify specific sources of funding for reallocation to these projects. At the time of packet preparation, Bonneville had identified a group of projects that are in need of additional funding, but more time was needed to verify source projects that were not going to spend their full Fiscal Year 2003 allocation and, therefore, had funding available to move to other projects.

### Background

In December 2002, the Council agreed to help the Bonneville reduce or defer its fish and wildlife spending in 2003 in response to the agency's financial crisis. The Council employed the dual objectives of containing costs within \$139 million and maintaining support for the project work it approved in past provincial review decisions. This was achieved by establishing a 2003 accrual based budget plan, based on project accrual estimates that totaled \$139 million. This

*Fiscal Year Accrual Budget Estimate by Project and Contract Report* was submitted to Bonneville by the Council on February 21, 2003. In developing this plan, Council staff, Bonneville and CBFWA agreed that a project spending tracking system and a reallocation system were needed to evaluate projects that are likely not to accrue their planned budget amounts and make these funds available to projects that were severely impacted by the 2003 decisions and need additional funds.

The Council has previously recommended adjusting project budgets prior to this request, in April and June of this year. Projects have continued to be identified that need Fiscal Year 2003 budget adjustments. In the past adjustments, the Council has only approved budget increases if corresponding budget decreases could be identified and implemented. This was done to ensure that the Program would not spend over the \$139 million spending cap for 2003 as required by Bonneville. Absent specific identification of funds for reallocation, Bonneville would need to advise the Council that the \$139 million limit for Fiscal Year 2003 that it declared previously is no longer needed.

Please see attached spreadsheet.

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Province	Subbasin	Master Project Number	Proposal Number	Project Title	Project Manager/ COTR	FY03 Council Recommended Budget (2/20/2003)	Potential Adjustment	Explanation	FY02 Contract Expiration Date	FY02 Contract Amount	Written Authorizatin End Date (if Applicable)
Mountain Snake	Clearwater	200003500		Newsome Creek Watershed	S. Keen	\$297,515	\$6,244	FY02 bills paid in FY03.	6/30/2003	\$286,732	
C.Gorge	Wind River	199801900	199801900	Wind River Watershed Restoration	J. Baugher	\$67,719	\$7,200	FY02 expenses incurred in FY03.	6/30/2003	\$78,959	7/71/03
C. Gorge	C. Gorge	200102700		Western Pond Turtle Recovery in the Columbia Gorge	T. Morse	\$121,000	\$9,000	Costs from FY02 contract are being incurred in FY03.	5/31/2003	\$124,936	No end date
Mountain Snake	Clearwater	200003600		Protect and Restore Mill Creek	S. Keen	\$77,642	\$9,600	FY02 expenses incurred in FY03.	5/31/2004	\$74,830	
Mountain Snake	Clearwater	200207000		Lapwai Cr. Anadromous Habitat	S. Keen	\$297,028	\$12,100	Funds needed to cover FY02 contractual obligations which are accruing in FY03.	8/31/2003	\$372,060	
Mountain Snake	Clearwater	199501300		Nez Perce Trout Ponds	S. Keen	\$177,525	\$13,737	FY02 bills paid in FY03. This is in addition to the \$11,314 increase to restore the original FY03 budget approved at the June Council meeting.	7/31/2003	\$171,677	
Mountain Snake	Clearwater	200206100		Potlach River Watershed	S. Keen	\$200,000	\$16,607	This project will use all of its FY02 contract funds of \$200,000 by the end of August, 2003. The project needs an additional estimated \$16,607 for September, 2003 billings.	8/31/2003	\$200,000	

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Province	Subbasin	Master Project Number	Proposal Number	Project Title	Project Manager/ COTR	FY03 Council Recommended Budget (2/20/2003)	Potential Adjustment	Explanation	FY02 Contract Expiration Date	FY02 Contract Amount	Written Authorizatin End Date (if Applicable)
C. Gorge	White Salmon	200102500	21009	Rattlesnake Creek Salmonid Production	J. Baugher	\$47,750	\$17,782	FY02 expenses incurred in FY03 (\$4,117) and to allow them to spend what was obligated in the contract performance period thru 6/30/03.	6/30/2003	\$61,690	7/31/2003
C. Plateau	Walla Walla	199802000		Assess Fish Habitat and Salmonids in the Walla Walla Watershed in Washington	P. Lofy	\$213,877	\$45,714	September, 2002 (FY02) costs paid in FY03. This was due to BPA's internal policy of not accruing end of Fiscal Year costs against the year in which year were incurred unless they exceed \$50,000 and lack of communication to the sponsor that BPA assumed that end of the year accruals for FY2003 will necessarily be accrued against FY2003 (rather than FY2004). The expenses are fully within both '02 and '03 contract limits.	2/28/2003	\$168,163	7/31/2003
Mountain Snake	Clearwater	199607703		Restore Fishing to Legendary Bear Creek	S. Keen	\$427,340	\$49,742	FY02 expenses incurred in FY03.	5/31/2003	\$413,286	

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Province	Subbasin	Master Project Number	Proposal Number	Project Title	Project Manager/ COTR	FY03 Council Recommended Budget (2/20/2003)	Potential Adjustment	Explanation	FY02 Contract Expiration Date	FY02 Contract Amount	Written Authorizatin End Date (if Applicable)
Mountain Snake	Salmon	200204900		Evaluate Factors Influencing Bias and Precision of Chinook Salmon Redd Counts	M. Ralston	\$198,738	\$96,943	The sponsor underestimated year-end accruals for this project due to a misunderstanding of the FY02 end of year accrual process. The sponsor originally estimated their FY02 year-end accrual at \$21,724, but they now estimate it at \$114,655. Without an increase in the sponsor's FY03 spending cap, their available FY03 spending would be reduced by \$114,655, and they would soon be in a stop-work situation. Since most of the work on this project occurs during the July-September field season, having to stop work would effectively delay project implementation by a year. Based on the sponsor's spending estimates and work schedule, BPA estimates that \$96,943 will need to be added to their FY03 spending cap to get them through the field season.	6/30/2003	\$198,738	7/31/2003

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Province	Subbasin	Master Project Number	Proposal Number	Project Title	Project Manager/ COTR	FY03 Council Recommended Budget (2/20/2003)	Potential Adjustment	Explanation	FY02 Contract Expiration Date	FY02 Contract Amount	Written Authorizatin End Date (if Applicable)
Ocean - Estuary	Ocean - Estuary	199801400		Survival and Growth of Juvenile Salmonids in the Columbia River Plume	B. Zelinsky	\$851,000	\$836,841	The FY03 Council budget for this project, recommended on 10/30/02, was \$1,767,855. This project consists of two contracts; one with Canada and one with NOAA Fisheries. The Canada contract was closed on January 22, 2003 and had a total FY03 invoice of \$434,800. This amount was not included in the Council's FY03 Spending Cap of \$851,000. The second contract with NOAA Fisheries has about \$302,098 of FY02 work that was invoiced in and accrued to FY03. The spending cap needs to be increased by \$736,898 for a total of \$1,587,898, which is still under the original Council budget.	contract 7392 - 9/14/03 contract 4661 - 4/30/03	contract 7392 - \$853,600 contract 4661 - \$851,000	
Columbia Plateau	John Day	199802200		Wagner Ranch/Pine Creek Ranch	J. Baugher		\$40,000	Funds needed to maintain project through fiscal year 2003 per B. Austin 8/5/03			
Columbia Gorge	Fifteenmile creek	200102200		Accelerate the Application of Integrated Fruit Management to Reduce the Risk of Pesticide Pollution in Fifteenmile Sub-basin Orchards	J.Rola		\$94,000	Funds needed to maintain project through fiscal year 2003 per B. Austin 8/5/03			

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Province	Subbasin	Master Project Number	Proposal Number	Project Title	Project Manager/ COTR	FY03 Council Recommended Budget (2/20/2003)	Potential Adjustment	Explanation	FY02 Contract Expiration Date	FY02 Contract Amount	Written Authorizatin End Date (if Applicable)
Columbia Gorge	Hood River	198805304		Hood River Production Program - ODFW M&E	ODFW		\$60,000	Funds needed to maintain project through fiscal year 2003 per B. Austin 8/5/03			
							\$1,315,510				

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Consequence of No Adjustment to FY03 Budget
Some objectives/tasks of the project will have to be stopped for August and September and possibly a personnel layoff .
Agency will fail to carry project to 9/30/03. Agency will have to make additional sacrifices to project. This will come after much of the woek actions have already occurred. Survival of headstart turtle is (95%). Very successful program.

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Consequence of No Adjustment to FY03 Budget
The project will come to a complete halt for August and September and personnel will be layed off
Substantial reduction in scope because WDFW only because WDFW tends to invoice so late. Jul-Sep 2002 bills for \$45,714 were received after the end of the FY. This is ~27% of the budget of the contracted amount.

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Consequence of No Adjustment to FY03 Budget
<p>    Their available FY03 spending would be reduced     by \$114,655, and they     would soon be in a stop- work situation. Since most of the work on this project     occurs during the July- September field season, having to stop work would     delay project implementation by a year. BPA considers this project to be a critical element for BiOp RPAs 179 and 180. NMFS rated it a 3 for 180.</p>

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Consequence of No Adjustment to FY03 Budget
Must delay or stop work on contract 4661.

REQUESTED CHANGES TO FY03 SPENDING ESTIMATES - JULY, 2003

Consequence of No Adjustment to FY03 Budget