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March 1, 2016

MEMORANDUM

TO: Fish and Wildlife Committee members

FROM: Tony Grover

SUBJECT: Draft recommendations of the Cost Savings Workgroup

BACKGROUND:

Presenters: Committee Chair Anders, Bryan Mercier, Bonneville Power Administration (BPA), Kerry Berg, Lynn Palensky, Laura Robinson and Tony Grover, all Council staff.

Summary: The Cost Savings Workgroup has identified four projects that are either closing out or have a reduction in budget. The total in cost savings identified in FY 2016 is \$566,915. The majority of these funds will be available in FY 2017. \$100,000 of the identified funds has been earmarked for the proposed blocked area habitat assessment.

Relevance The cost saving 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...'*

Workplan: Implements 2.B. of the 2015 Council Workplan

Background: Council member Anders chairs the cost saving workgroup, which is composed of Bryan Mercier, Bill Maslen and Peter Cogswell 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, (<http://www.nwcouncil.org/media/7149359/1.pdf>).

Additional information about the cost savings workgroup and the methodology can be found on the Council's website at <http://www.nwcouncil.org/fw/cost-savings-group/>, 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.

Four projects have been identified as sources for cost savings in this first set of recommendations from the cost savings workgroup:

- 2007-404-00, Spring Chinook Captive Propagation, Oregon, \$355,007
- 1982-013-03, Coded Wire Tag, USFWS, \$29,162
- 2006-006-00, Habitat Evaluation Program, \$90,502
- 2010-076-00, Characterizing migration and survival for juvenile Snake River sockeye salmon between upper Salmon River basin and Lower Granite Dam, \$92,244

These four projects **total \$566,915** in cost savings, most of which will be available in FY 2017. \$100,000 of the identified funds is earmarked for the proposed blocked area habitat assessment, as described earlier in this committee's agenda. Unless something significantly changes in the next few months, BPA intends to create a 'reserve' for these cost savings in the FY 2017 Start of Year fish and wildlife budget.