Northwest **Power** and **Conservation** Council

April 4, 2017

MEMORANDUM

TO: **Fish and Wildlife Committee members**

FROM: **Tony Grover**

SUBJECT: **Update/recommendation from the Cost Savings Workgroup**

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 scheduled for April 7, 2017. On the Workgroup's agenda is: a quarterly report from Bonneville on potential savings using the mechanistic approach1; next steps in the process for the Sturgeon Request for Information; current thinking on potential policy reviews of a small group of related projects, and an update on our discussion of funding additional lamprey work.

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, which is composed of Bryan Mercier, Peter Cogswell, Rick Golden and Scott Donahue of BPA and Kerry Berg, Lynn Palensky, Laura Robinson, Leslie Bach and Tony Grover, all Council staff. The Cost Savings Workgroup initially developed a cost savings methodology, which was approved by

[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…"

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.

At the March and May 2016 Fish and Wildlife Committee meetings, five projects were identified by the Cost Savings Workgroup as sources for a total of $651,915 in cost savings that would be available in FY 2017.

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 agreed to allocate $200,000 of cost savings to address mission critical operation and maintenance infrastructure work at Bonneville funded hatchery programs. Somewhat more than $310,000 of cost savings remains to be allocated.

Results of Bonneville quarterly report on 'mechanistic' cost savings identified:

Mechanistic Approach
Project 2007-404-00, *Spring Chinook Captive Propagation-Oregon* was identified during the first and second quarter review as a project with a permanent reduction of $77,773. This project began ramping down in FY16 and continued in FY17 as the captive brood facility at Bonneville hatchery is mothballed.

Recommendation for close-out:
Project 2007-299-00, *Investigation of Relative Reproductive Success of Stray Hatchery & Wild Steelhead & Influence of Hatchery Strays on Natural Productivity in Deschutes*. A staff policy review of this project has resulted in an understanding that the original goals and objectives for this project are unlikely to be achieved as a result of a significant unanticipated reduction in out-of-basin steelhead fish straying into the Deschutes. This project has in the past been budgeted for $335,000 per year. It is anticipated that the close out of this project will take approximately three years, generating cost savings over FY18, FY19 and FY20 of approximately $110,000 per fiscal year.

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 FY18/FY19 rate period, and (2) developing a process to reallocate funds to other priorities.

Sturgeon Request for Responses
The Council received information from six entities on February 28 in response to our Request for Information for sturgeon. Nine interesting opportunities for potential work were proposed in the Columbia and Snake Rivers. Two of the seven represent expansions of existing program-funded work and another a new work element to an accord project. The other four opportunities are for new work.

At the March committee meeting, staff was directed to move forward with clarifying questions to the sponsors of four proposals. The questions include: scientific information necessary for a full proposal; detailed implementation timeline; and a confirmation of interest to proceed to next steps. The responses will help us shape funding and implementation recommendations and identify any additional review steps necessary before finalizing recommendations. The emails with questions were sent to WDFW, CRITFC, ODFW and Golder Assoc. Staff will update the committee on the responses we receive ahead of the Council meeting.

Below is a summary of the proposed work:

Sponsor	**Project Name**	**Short Description**
WDFW, et.al	White Sturgeon Population Status Assessments for Isolated at-Risk Populations in the Lower Snake River Impoundments	Stock assessment for isolated at-risk populations between Ice Harbor and Lower Granite Dam
CRITFC & YN	Discovery and development of a genetic marker for sex determination in white sturgeon	Development of a genetic marker for sex determination for use in status assessments
ODFW, et.al	White Sturgeon Spawning Habitat and Use in the John Day Reservoir	Tagging, tracking & analysis to assess spawning staging areas, behavior and habitat in John Day reservoir
Golder Assoc.	White Sturgeon Spawning Investigations	Conduct spawning monitoring (larvae collection) below Ice Harbor Dam to understand current use of habitat
PNNL #1	Simulate white sturgeon early life history in Columbia Basin reservoirs	2D model on effect of river flow and transport of juvenile sturgeon above Grand Coulee (to understand recruitment failure) and adapt elsewhere
PNNL #2	Lifecycle acoustic transmitters for white sturgeon	Implant long-lived (no battery) acoustic tags for tracking movement and habitat use in Snake and Columbia Rivers
USFWS & USGS	Sturgeon population status, spawning habitat and predation	Scope 1: eDNA to assess tributary use in Lower Col; Scope 2: Construct and test spawning habitat models using existing data and develop habitat suitability maps; Scope 3: Assess feasibility of side scan sonar and u/w video to locate carcasses below BON4 from predation