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October 2, 2018

MEMORANDUM

TO: Fish and Wildlife Committee members

FROM: Staff

SUBJECT: Update and discussion on policy issues emerging from Bonneville budget adjustments to the Fish and Wildlife Program

Presenter: Tony Grover, NPCC, and Bryan Mercier, Bonneville Power Administration

Summary: Below are known and potential direct funded fish and wildlife program budget reductions that staff are aware of as currently under discussion by Bonneville Power Administration (Bonneville) and project sponsors. This update includes funding reductions identified for projects with a contract start date in the first quarter of FY2019, as well as previously identified reductions. As the budget adjustment effects become clear a short staff assessment of the potential policy issues or effects of the funding reductions will be included with each budget change. Bonneville will report to the Council as reductions are confirmed, with the first set of reductions being reported at this meeting. It is likely that additional policy issues will arise once a full understanding of the reductions and rationale for these reductions are known and a final decision is made regarding the Accord extensions.

Bonneville funding

In FY 2018 Bonneville budgeted a total of \$310,196,000 in expense funding to support the direct funded fish and wildlife program. Of that total \$33,483,000 was directed to the Lower Snake River Compensation program, which produces Chinook salmon and steelhead to compensate for losses of those fish resulting from construction of the four lower snake river dams. The remaining \$276,713,000 of expense funds are dedicated to implementing the fish and wildlife mitigation requirements under the northwest power act.

Bonneville also funds significant fish and wildlife work through capital investments which are described below in the context of the proposed Accord extensions but are otherwise not significantly affected by the funding reduction proposals.

Newly identified proposed funding reductions

The attachment to this memo identifies the projects which start in the first quarter of FY2019, October 1, 2018, and have confirmed budget reductions. The reductions affect twelve projects and total \$2,714,309 in FY2019.

Updates on previously identified reductions

Following are the four-year extensions to the original ten-year Accords that took effect in FY2008:

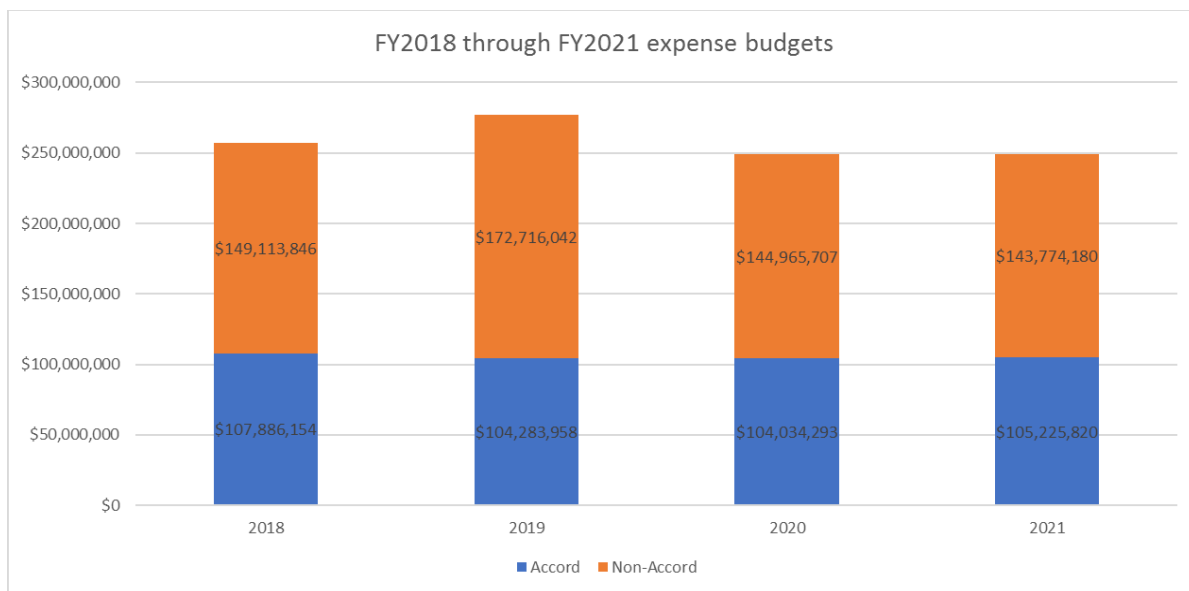
- Bonneville has signed Accord extensions. In summary, the total value and the proposed funding reductions are displayed in the following table, relative to the FY 2018 funding level (base budget) for each entity:

Accord Entity	Expense funding								
	Accord Extension					Reductions from 2018 base			
	2018	2019	2020	2021	2022	2019	2020	2021	2022
Colville Tribe	\$16,122,449	\$15,622,450	\$15,622,450	\$15,817,731	\$16,015,452	\$499,999	\$499,999	\$304,718	\$106,997
CRITFC	\$9,313,240	\$8,848,693	\$8,821,934	\$8,896,195	\$8,905,918	\$464,547	\$491,306	\$417,045	\$407,322
Umatilla	\$14,953,124	\$14,753,124	\$14,753,124	\$14,936,526	\$15,122,221	\$200,000	\$200,000	\$16,598	-\$169,097
Warm Springs	\$8,736,358	\$8,586,358	\$8,586,358	\$8,693,687	\$8,802,359	\$150,000	\$150,000	\$42,671	-\$66,001
Yakama	\$33,077,511	\$31,777,511	\$31,777,511	\$32,174,730	\$32,576,914	\$1,300,000	\$1,300,000	\$902,781	\$500,597
Shoshone-Bannock	\$4,895,665	\$4,500,000	\$4,407,094	\$4,391,940	\$4,814,627	\$395,665	\$488,571	\$503,725	\$81,038
Idaho	\$16,999,109	\$16,499,109	\$16,499,109	\$16,705,348	\$16,914,165	\$500,000	\$500,000	\$293,761	\$84,944
Montana	\$3,788,698	\$3,696,713	\$3,566,713	\$3,609,663	\$3,653,150	\$91,985	\$221,985	\$179,035	\$135,548
	\$107,886,154	\$104,283,958	\$104,034,293	\$105,225,820	\$106,804,806	\$3,602,196	\$3,851,861	\$2,660,334	\$1,081,348

Another way to look at the reductions is as percentage reductions from the 2018 base budget for each entity:

Accord Entity	Expense funding					Savings from 2018 base			
	Reductions from 2018 base					Savings from 2018 base			
	2018	2019	2020	2021	2022	2019	2020	2021	2022
Colville Tribe	\$16,122,449	\$499,999	\$499,999	\$304,718	\$106,997	3.1%	3.1%	1.9%	0.7%
CRITFC	\$9,313,240	\$464,547	\$491,306	\$417,045	\$407,322	5.0%	5.3%	4.5%	4.4%
Umatilla	\$14,953,124	\$200,000	\$200,000	\$16,598	-\$169,097	1.3%	1.3%	0.1%	-1.1%
Warm Springs	\$8,736,358	\$150,000	\$150,000	\$42,671	-\$66,001	1.7%	1.7%	0.5%	-0.8%
Yakama	\$33,077,511	\$1,300,000	\$1,300,000	\$902,781	\$500,597	3.9%	3.9%	2.7%	1.5%
Shoshone-Bannock	\$4,895,665	\$395,665	\$488,571	\$503,725	\$81,038	8.1%	10.0%	10.3%	1.7%
Idaho	\$16,999,109	\$500,000	\$500,000	\$293,761	\$84,944	2.9%	2.9%	1.7%	0.5%
Montana	\$3,788,698	\$91,985	\$221,985	\$179,035	\$135,548	2.4%	5.9%	4.7%	3.6%
	\$107,886,154	\$3,602,196	\$3,851,861	\$2,660,334	\$1,081,348				
		3.3%	3.6%	2.5%	1.0%				

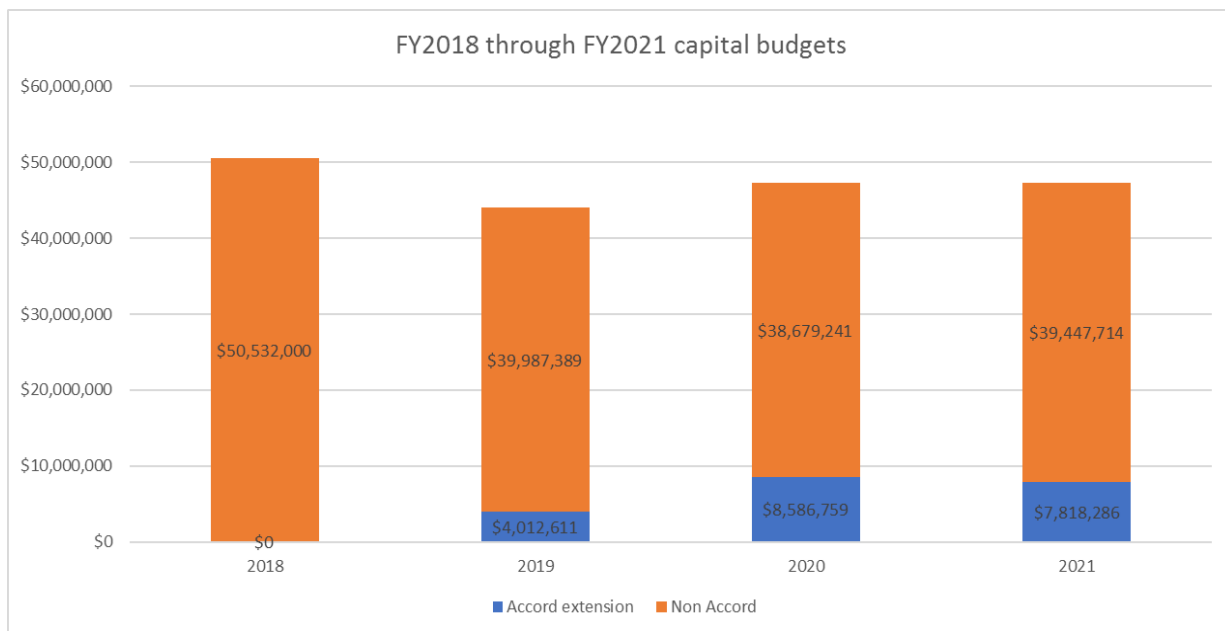
Projected total expense spending for FY 2018 through FY 2021 is depicted in the graph below. FY 2022 totals are not currently available.



Accord extension capital budgets are displayed below:

Capital Funding	Accord Extension			
	2019	2020	2021	2022
Colville Tribe	\$0	\$0	\$0	\$0
CRITFC	\$0	\$0	\$0	\$0
Umatilla	\$2,412,611	\$2,903,426	\$2,884,953	\$2,884,953
Warm Springs	\$0	\$0	\$0	\$0
Yakama	\$0	\$0	\$0	\$0
Shoshone-Bannock	\$1,600,000	\$2,350,000	\$1,600,000	\$1,600,000
Idaho	\$0	\$0	\$0	\$0
Montana	\$0	\$3,333,333	\$3,333,333	\$3,333,333
	\$4,012,611	\$8,586,759	\$7,818,286	\$7,818,286

Projected total capital spending for FY 2018 through FY 2021 is depicted in the graph below, with the accord extension totals included each year. Much of the existing capital spending elsewhere in the fish and wildlife program budget is associated with the previous accords. FY 2022 totals are not currently available.



Note: All FY2020 and FY2021 totals are based on initial IPR proposals.

Beginning in June 2018, staff identified some potential funding reductions within the fish and wildlife program many of which have yet to be finalized. The remainder of this memorandum updates these previously identified reductions with additional detail in some cases, first discussed with the Committee beginning in June 2018, which appear to still be under discussion:

- 50% reduction in funding for the Columbia Basin Bulletin for 2019 and proposed to be eliminated for 2020. The 2018 Budget for the Bulletin is \$148,412 the amount recommended by the Council. Bonneville recommends the Bulletin be published monthly instead of weekly for 2019. **Potential policy issue:** The Bulletin is an electronic newsletter distributed to over 10,000 people, “*serving since 1998 those interested in (U.S. Northwest) Columbia River Basin salmon and steelhead recovery and other regional natural resource/energy issues.*” This project was most recently reviewed and recommended by the Council in 2013. Funding reductions have the potential to weaken implementation of the 2014 Fish and Wildlife Programs’ Adaptive Management Strategy and the Public Engagement Strategy described on page 99 of the 2014 Fish and Wildlife Program.¹
- Proposed program-wide 50% reduction in funding in FY2019 and elimination in FY2020 for Bonneville funded conferences. **Potential policy issues:** Funding reductions have the potential to weaken implementation of the 2014 Fish and Wildlife Programs’ Adaptive Management Strategy and the Public Engagement Strategy. The Council’s comprehensive review of research, monitoring and evaluation in 2012 identified as a significant issue, the need to support obtaining,

¹ A more complete description of the issue of budget reduction effects involving public involvement, information management and collaboration as well as policy options is under development by staff.

organizing, synthesizing, evaluating and reporting on implementation and biological results for the Program. Under the Northwest Power Act, transparent, public involvement is the third component of the Council's mandate, alongside power planning and mitigation for fish and wildlife impacted by the hydrosystem. The Council's comprehensive review of research, monitoring and evaluation in 2012 identified as a significant issue, the need to support obtaining, organizing, synthesizing, evaluating and reporting on implementation and biological results for the Program. Also, the proposed reduction may take time to apply equitably throughout the Columbia basin because some conferences may not be identified as a line item in entity budgets².

- Beginning in FY 2018 Bonneville reduced travel and registration fees for conference attendance by project sponsors. **Potential effect:** Reduced ability to support the 2014 Program Adaptive Management Strategy and the Public Engagement Strategy Principle: *“Support and champion organizations that effectively support productive partnerships among relevant sciences, between science, management and the public...”*³
- Reductions in funding for technical assistance functions of some umbrella projects, and estuary habitat work. **Potential policy issue:** Need to verify if these reductions will inhibit development and implementation of program habitat work including in the estuary.
- Reduce Water Transaction Program funds by \$1 million. **Potential policy issue:** Water acquisitions have been an important feature of the Fish and Wildlife Program since 2000. The Council has supported implementation of this project since 2002, and most recently recommended this project in 2012. The 2014 Program's Habitat Strategy specifically calls for “improving the amount, timing and duration of instream flows through water rights and acquisitions”. It is not clear where and how the \$1 million reduction would be implemented. It is important that funds are not focused solely on FCRPS BiOp purposes, that ISRP reviewed criteria continue to be applied consistently across the basin, and administrative changes in the water transaction program at the contractor or qualified local entities (QLE) level do not impede transactions. Bonneville reports the cost reductions will be primarily administrative, resulting from consolidation of multiple programs into a single program.
- Reduce StreamNet funding by \$82,512 and reduce funding to other data management efforts. **Potential policy issue:** Important to support the program's Adaptive Management Strategy. Recent programs recognized the importance of coordinating and integrating program data while noting needed improvement in these areas. StreamNet partners have described the impacts on data flow and, in some cases where partner funding is already at a minimal level, how these reductions result in partners being unable to contribute priority data, such as natural origin spawner abundance.⁴

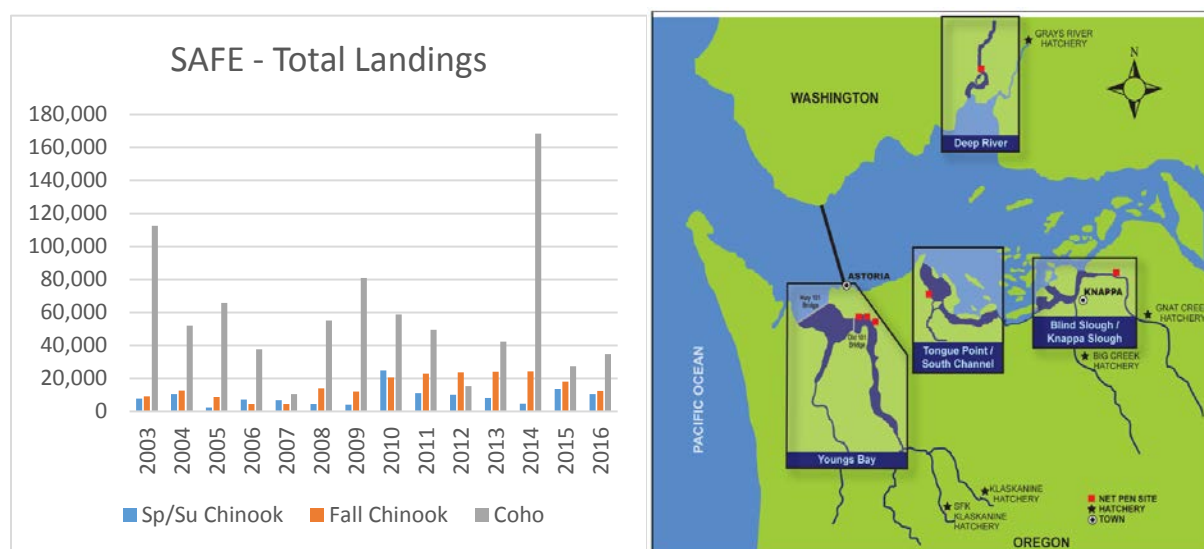
² Ibid

³ Ibid

⁴ Ibid

- Proposed two year ramp down of Select Area Fisheries Enhancement (SAFE) program beginning in FY2020, which Bonneville currently budgets at \$1,908,145 per year. Bonneville has agreed to maintain the current budget flat while they work with the sponsors to identify other project reductions in FY19. **Potential policy issue:** The Council, in 1992 recognized in its Fish and Wildlife Program, the need for terminal fisheries to reduce mainstem impacts on depressed upstream salmon runs. This Project was first recommended by the Council in 1993. The 2014 Program 's Investment Strategy on Page 115 states: “**Bonneville will continue to provide adequate support for terminal fisheries in the estuary and other basin locations.**” The NPCC recommendation to BPA in 2011 was to “**Implement through FY 2016. Consistent with the original intent of this project this project will work toward being self-sustaining by 2017.**”

The SAFE project provides mitigation for lost harvest opportunities in the lower river. Between 2003 and 2016 well over one million Chinook and Coho produced through the SAFE project were commercially harvested in the off-channel areas of the lower Columbia River. The graph below illustrates the landings of SAFE fish from 2003 through 2016⁵ and the map shows where SAFE is implemented.



Figures: *SAFE landings and areas of activity.*

- Reduce Lower Snake River Compensation Plan (LSRCP) funding by about \$2.3 to \$3.0 million dollars. **Potential effect:** Bonneville reports budgeted funds exceeded expenditures for several years. The project sponsors believe they will experience reduced flexibility and capacity to replace aging assets associated with the program.

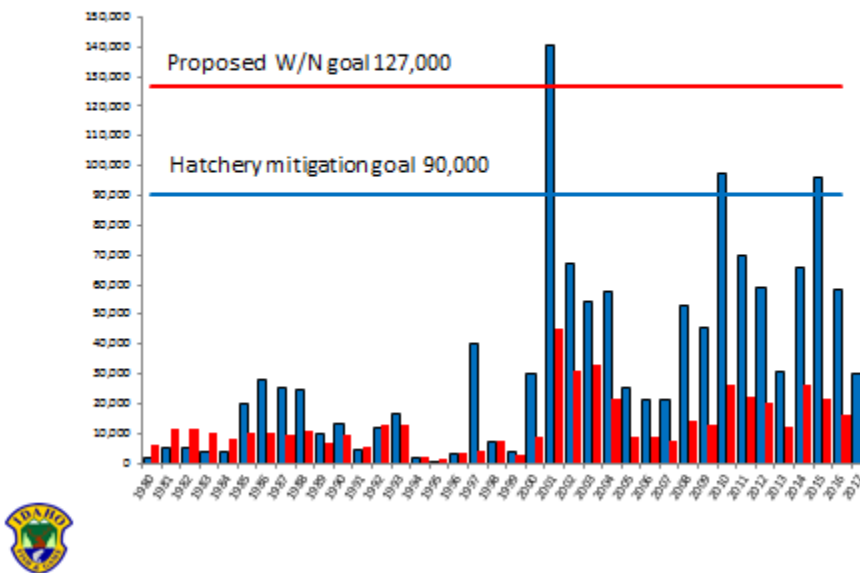
Measured adult fish returns resulting from LSRCP production are combined with Idaho Power's production and presented together. The goals are:

⁵ Select Area Fishery Enhancement Project, Fiscal Year 2013-2016 Report, October, 2017.

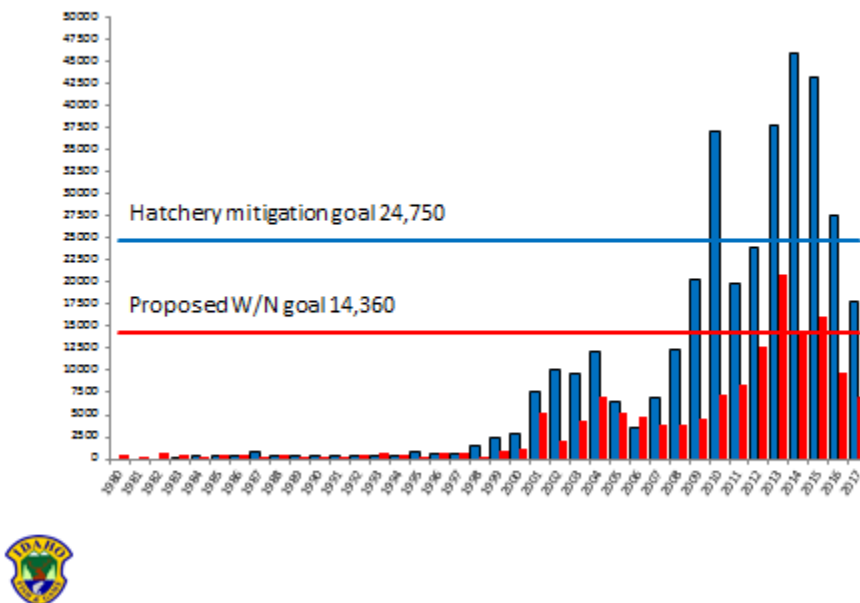
Snake River goals	LSRCP goals	Total goals (with IPC)
Spring/Summer Chinook	58,700 (Sp Chinook)	90,000
Fall Chinook	18,300	24,750
steelhead	55,100	88,100

The graphs below show Snake River wild/natural goals and returns in red and hatchery goals and returns in blue, which have been met or exceeded in most recent years for Fall Chinook and steelhead.

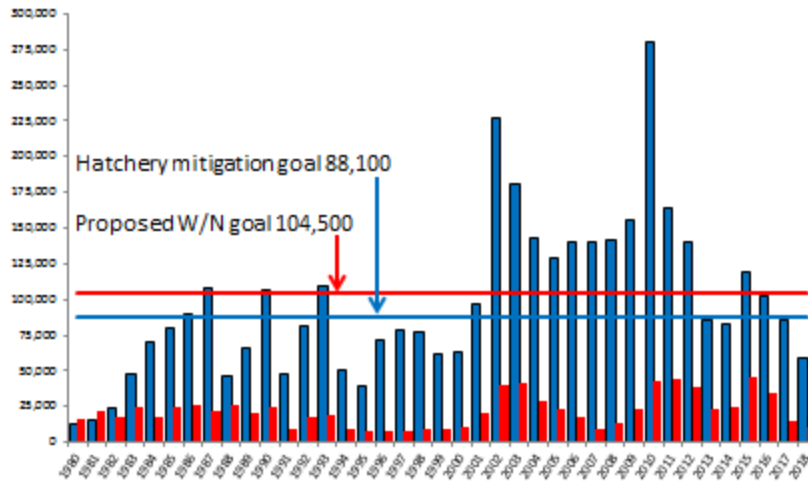
Spring/Summer Chinook Salmon



Fall Chinook Salmon



Summer Steelhead



- Permanently eliminate most funding for the CHaMP and ISEMP projects. These projects were funded at just over \$7,000,000 in FY 2017 and budgets were first reduced in FY 2018 with the goal of contracting these projects for about \$1,500,000 in FY 2019. **Potential effect:** Impacts existing program-funded research, monitoring, and evaluation efforts. The Council, in its reviews of research, monitoring and evaluation projects, and in its fish and wildlife programs, has often noted the need to adequately monitor and evaluate the effectiveness of program habitat actions.
- Budget adjustments with the Kootenai Tribe of Idaho. **Potential effect:** Little to no anticipated negative effect to the benefits to fish associated with this work.

Relevance: The [2014 Fish and Wildlife Program](#) strategy for public engagement states: *On an ongoing basis, the Council will educate and involve Northwest citizens to develop, implement, and improve understanding of the fish and wildlife program and the Council, and to promote successful ecosystem management.* Included in the rationale for this strategy is the notion that *public involvement and understanding will ensure management decisions are more sustainable.*

The purpose of gathering this information is to transparently share with the F&W Committee and the region the effects of Fish and Wildlife direct Program budget reductions on Program policies and implementation as they become known. This will likely become a standing agenda item for the Fish and Wildlife Committee for the next eight or so months. Staff will continue to work with project sponsors and Bonneville staff to gather and compose this information into a form that will be useful and clear to the Council members and the public.

Background: Bonneville's January [2018 Strategic Plan](#) sets an objective to "*Hold the sum of program costs, by business line, at or below the rate of inflation through 2028.*" This objective is further elaborated in the Strategic Plan: "*In addition, because fish and wildlife costs make up a significant portion of power costs, this strategic goal includes taking a more disciplined approach to managing the total cost of our Fish and Wildlife Program.*" And more specifically: "*To make the most of available funds, investments in fish and wildlife protection, mitigation and enhancement will be prioritized based on biological and cost-effectiveness and their connection to mitigating for impacts of the FCRPS.*"

At the May 2018 Council meeting, Bonneville's administrator and senior managers identified a total of about \$30 million, but the cost reductions are very much a work in progress, and Bonneville hopes to receive a lot of advice and assistance as it makes contract decisions that lead to a reduced budget to implement the Council's Fish and Wildlife Program for Fiscal Year 2019, which begins October 1 of this year.

More Info:

- Council's [Fish and Wildlife Program](#)
- Bonneville [2018-2023 Strategic Plan](#)
- Proposed Columbia Basin Fish Accords [extensions](#)
- Description of the [Columbia Basin Bulletin project](#)
- 2017 [Umbrella Project Review](#)
- Columbia basin [Water Transactions Program](#) project description and funding history (project # [2002-01-301](#))
- Final notes from the June 14, 2018 [StreamNet Executive Committee Meeting](#) and [StreamNet Budget Reduction Proposal to BPA](#)
- Select Area Fisheries Enhancement project description and funding history (project # [1993-060-00](#))
- ISRP 2014 Review of the Lower Snake River Compensation Plan ([ISRP 2014-6](#)) and USFWS background information [website](#)
- View project description and funding history of the CHaMP (Project # [2011-006-00](#)) and ISEMP (project # [2003-017-00](#)) programs. Also, see staff [June 6, 2017 memo](#) summarizing Council recommendations and information about CHaMP and ISEMP programs.
- Kootenai Tribe of Idaho fish and wildlife projects [website](#) and individual Bonneville funded projects ([2002-011-00](#); [2002-008-00](#); [2002-002-00](#); [1994-049-00](#); [1988-064-00](#))

Attachment 1: Table of first quarter (10/1 – 12/30) fish and wildlife projects that will have reduced funding beginning in FY2019, October 1, 2018.

Project Number	Title	Proponent Orgs	Baseline Budget	FY19 Budget	Delta	Final Comments
198805308	Hood River Production Operations and Maintenance (O&M) and Powerdale	Oregon Department of Fish and Wildlife	\$596,418	\$566,600	\$29,818	Project was underspent by nearly \$50k in FY'17. After discussions with sponsor reduction of \$29,818 was negotiated. The sponsor is open to finding efficiencies and has identified some cost share from the Warm Springs Tribe, which is willing to purchase additional feed through their Accord funding to make up the difference. Additional reductions are possible in 2020 as the entire steelhead hatchery program is reformed.
198902401	Evaluate Umatilla Juvenile Salmonid Outmigration	Oregon Department of Fish and Wildlife	\$533,450	\$443,850	\$89,600	Continue to collect fish in data (adults) through redd count estimates and fish out data (out-migrants) with the three-mile facility and multiple rotary screw traps operated in the basin. However it was determined that the Birch Creek screw trap operation and analysis, as reported, is not necessary to generate population out-migrant estimates. Commensurate reduction of \$89k related to screw trap costs and to reduce/eliminate duplication of efforts in this area.
199000500	Umatilla Hatchery Monitoring and Evaluation (M&E)	Oregon Department of Fish and Wildlife	\$667,497	\$579,499	\$87,998	Project evaluates hatchery practices for steelhead supplementation and spring and fall Chinook Salmon reintroduction and has a BiOp nexus. Data results from this project are used for regional planning and coordination for recovery of listed ESUs such as Mid-Columbia steelhead. Continue project to support HGMP monitoring requirement, but seek elimination of creel surveys funding associated with Umatilla River non-tribal recreational salmonid fisheries (ODFW responsibility) with a reduction of \$89K associated with creel surveys. BPA is currently reviewing its role in funding harvest monitoring, which will result in future discussions related to this project and harvest monitoring components across the F&W Program.

Project Number	Title	Proponent Orgs	Baseline Budget	FY19 Budget	Delta	Final Comments
199800401	Columbia Basin Bulletin	Intermountain Communications	\$148,412	\$74,206	\$74,206	BPA F&W Program has set a policy direction to reduce or discontinue funding for projects that don't provide a direct benefit to fish and wildlife. This project and other publication funding in the basin falls into that category, and the budget level reflects a smart close over FY'19 and FY'20.
198805304	Hood River Production Monitor and Evaluation (M&E) - Oregon Department of Fish and Wildlife (ODFW)	Oregon Department of Fish and Wildlife	\$514,405	\$464,405	\$50,000	Reduction of \$50k has been discussed with sponsor. The \$50k comprises of 1) removing the Outreach and Education Work Element for FY19 (~ \$8400 savings), and 2) revising the sport harvest creel survey work element (reducing the level of the survey effort) and the associated data analysis work element. Anticipated cost savings related to creel survey \$41,600. The longer-term approach would be to revise the M&E to either evaluate the effectiveness of habitat restoration or monitoring the wild fish population response to the removal of Powerdale Dam and supplementation efforts (i.e. spring Chinook). The rationale for the recommended cuts are: 1. BPA is currently reviewing its role in funding harvest monitoring, which will result in future discussions related to this project and harvest monitoring components across the F&W Program. 2. BPA is working to deemphasize outreach and education as outside of BPA mitigation responsibilities.
200400200	Pacific Northwest Aquatic Monitoring Program (PNAMP) Coordination	US Geological Survey (USGS)	\$435,000	\$429,933	\$5,067	Project budget set at FY'18 level, which reflects a reduction of \$5,067 of travel and conference/training related
200738900	Estuary BiOp Technical Support	PC Trask and Associates	\$321,000	\$300,000	\$21,000	After ensuring this project has already contributed as appropriate to the program-wide effort to reduce travel and training, the FY19 budget for this project has been set at the Project Managers proposed amount. The Bonneville Project Manager will continue to work with the project sponsor to seek cost-savings and efficiencies that do not diminish or delay contract

Project Number	Title	Proponent Orgs	Baseline Budget	FY19 Budget	Delta	Final Comments
						deliverables.
200739600	Walla Walla Basinwide Tributary Passage and Flow	Walla Walla Basin Watershed Council	\$974,462	\$666,032	\$308,430	Project budget for 2019 set at \$666,032. Original proposed budget of \$621,032 based on actual spending in FY18 of \$781,032 minus \$160k for staff reductions. Upon discussing with sponsor, an additional \$45k for completing design work for Eastside was requested. Sponsor also asked for additional \$10k for continued monitoring, but those funds will have to be prioritized inside existing monitoring / project budget. Budget reduction directed as project needs to be prioritized and refocused on core habitat values for passage, habitat, and instream flows. RM&E portions of project also need to be evaluated for efficiencies consistent with programmatic review of RME projects.
201000100	Upper Columbia Programmatic Habitat	Bonneville Power Administration, Upper Columbia Salmon Recovery Board	\$3,844,775	\$2,000,000	\$1,844,775	The Programmatic has been unable to propose enough high-quality habitat actions, and BPA COR and F&W Exec manager met with sponsor to discuss proposed budget reductions. The reduced budget reflects more realistic expectations for near-term anticipated work. BPA will continue to work with other local sponsors and funding partners in the upper Columbia to complete enough high-quality projects to continue significant progress in habitat improvement.
198810804	StreamNet - Coordinated Information System (CIS)/ Northwest Environmental Database (NED)	Pacific States Marine Fisheries Commission	\$2,145,483	\$2,002,970	\$142,513	Proposed budget from sponsor of \$2,002,970 reflects not hiring behind a staff member retiring. \$2,002,970 proposal from StreamNet exceeds original request for reduction that was proposed by BPA based on focus on seeking efficiencies in data related projects.
200305400	Evaluate the Relative Reproductive Success of Hatchery-Origin and Wild-Origin Steelhead Spawning Naturally in the	Oregon State University	\$331,526	\$301,526	\$30,000	Consistent with the 2016 Council Cost Savings Workgroup review of the RRS portfolio, the Sponsor has agreed to scope and budget reductions as well as smart closure of the project. Smart close will allow for winding down of research currently in progress at the

Project Number	Title	Proponent Orgs	Baseline Budget	FY19 Budget	Delta	Final Comments
	Hood River					OHRC (Oregon Hatchery Research Center) and OSU aquatic animal lab, without having to sacrifice fish or jeopardize the investment in data already collected. BPA has recommended to reduce project budget for FY20 & FY21 with project closure after the FY21 contract expires. Since FY 17, the Sponsor has been able to secure cost share dollars from the State of Oregon.
199900301	Evaluate Spawning of Fall Chinook and Chum Salmon Just Below the Four Lowermost Mainstem Dams	Oregon Department of Fish and Wildlife, Pacific Northwest National Laboratory, Pacific States Marine Fisheries Commission, Washington Department of Fish and Wildlife (WDFW)	\$73,052	\$42,150	\$30,902	Project is with two sponsors. Reductions being sought consistent with BPA's programmatic direction to reprioritize field projects over RM&E. COR for PNNL contract discussed with sponsor and determined efficiencies can be found by reducing reporting requirements and not purchasing high tech equipment. This results in a reduction from ~\$56K to \$25K. This contract does not have a BiOp nexus so outyear funding needs to be explored further. COR for PSMFC contract discussed funding with sponsor and needs a total of \$17,150, which is consistent with previous year. Total project budget for FY'19 \$42,150. Note that WDFW also funds work in this area and further efficiencies in staff and equipment could be found by direct funding in outyears.
			\$10,585,480	\$ 7,871,171	\$ 2,714,309	