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## Northwest Power and Conservation Council

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Idaho

July 9, 2019

### DECISION MEMORANDUM

**TO:** Council members

**FROM:** Sandra Hirotsu  
Administrative Division Director

**SUBJECT:** Decision to adopt Fiscal Year 2021 and Fiscal Year 2020 Revised budget

**PROPOSED ACTION:** Staff recommends the Council approve adoption of its draft Fiscal Year 2021 and Fiscal Year 2020 Revised budget. Staff also recommends that the Council authorize reprogramming of available Fiscal Year 2019 funds for unanticipated Fiscal Year 2019 costs.

**SIGNIFICANCE:** The funding necessary for the Council to carry out its activities and responsibilities under the Northwest Power Act is provided by the Bonneville Power Administration based on the Council's adopted budget. Following public comment, the Council adopts its budget in July or August of each fiscal year and forwards the adopted budget to Bonneville for inclusion in its budget transmittal to Congress.

### BUDGETARY/ECONOMIC IMPACTS

The proposed Fiscal Year 2020 Revised budget is \$ 11,722,000 and the proposed Fiscal Year 2021 budget is \$ 11,893,000. These budgets are both below the calculation of the budget cap, based on the forecast of firm power sales that Bonneville provided to the Council as specified in the Northwest Power Act. The Council identified cost savings to reduce the proposed budget for the next two fiscal years by \$114,000.

## **BACKGROUND AND ANALYSIS**

The Council released the draft budget document for a 45-day public comment period, including a designated time to receive oral comments on the draft budget at the June Council meeting in Portland. The Council received one written comment and one oral comment.

Charles Pace commented that based on his reading of Bonneville's White Book (Pacific Northwest Loads and Resources Study published by Bonneville), the proposed budget is .78 over the statutory limit. The Northwest Power Act limits the amount of funds the Bonneville Administrator can annually provide to the Council to "0.10 mills multiplied by the kilowatt hours of firm power forecast to be sold by the Administrator during the year to be funded." The Council and Bonneville understand the budget cap is derived from the facts and figures from the most recent rate case. More important, the Council is allowed to rely upon the sales forecast presented to the Council by Bonneville. Bonneville provided the Council with a firm power sales forecast and resulting budget cap of \$12,173,440 for FY2020 and \$12,045,045 for FY2021. The Council's budget for both fiscal years remains below the budget cap.

Mr. Pace also commented that the proposal to spend substantial resources increasing the profile of the "fish and wildlife folks" and "power folks" is "squandering ratepayer money". Congress charges the Council with developing a power plan and a fish and wildlife program for the Northwest in a public manner and in a manner that gives the region's fish and wildlife managers, utilities, the Bonneville Power Administration, the public and other interested parties input. To that end, the proposed budget includes monies to engage stakeholders and the public at large in Council planning processes. The proposed budget also allows for Council participation in regional meetings, forums, panels and symposiums and some out-of-region planning meetings both to provide information on the Council's fish and wildlife program and power plan as well as to learn about work underway on fish and wildlife and power planning which may impact or be impacted by the Council's work. The Council also maintains a website and has a social media presence aimed at informing the region of the Council's activities and planning processes. The bottom line is the Council is proposing to budget funds for activities that highlight and inform the Council's work. Staff believes the amounts set forth in the proposed budget are not excessive and are necessary to enable broad participation in Council planning activities.

Commenter Scott Levy calls for reducing the Council's public affairs budget so as to increase funding for the Columbia Basin Bulletin. Mr. Levy is critical of the Council's High Level Indicator's as "years behind the times" and appears to indicate that data contained in the Columbia Basin Bulletin should be used to update the Council's High Level Indicators.

Staff recommends not reducing the Council's public affairs budget for FY2020 or FY2021 as the funds budgeted are reasonable and necessary to provide public information and public access to the Council's planning activities. Funding for the Columbia Basin Bulletin, which is not a Council activity, is a separate issue being considered in the project review process and other forums.

## **STAFF RECOMMENDATION**

Staff recommends adoption of the draft Fiscal Year 2021 and Fiscal Year 2020 Revised budget as proposed. Staff feels the amount budgeted for the next two fiscal years is not excessive and is necessary to enable broad participation in the Council's planning responsibilities and activities in the region.

## **ALTERNATIVES**

1. Adopt as final the draft Fiscal Year 2020 Revised and Fiscal Year 2021 Budget. This is the recommended alternative.
2. Delay a decision on the budget for one month to allow members to consider alternative budget levels. This alternative is not recommended. Funds can be reallocated within the fiscal year, if necessary and appropriate. And, the Council will have an opportunity to revise the Fiscal Year 2021 budget when the next budget cycle begins in February 2020.

## **ATTACHMENTS**

Comment from Charles Pace provided June 12, 2019

Comment from Scott Levy provided June 25, 2019

Charles Pace Comment (via phone)  
Council Meeting, June 12, 2019, Portland, Oregon

My name is Charles Pace and my comment; I have twofold. First, I take the amount of the budget proposed and I divide it by statutory limit based upon BPA's White Paper and I come out 1.78. In other words, you guys are .78 over the statutory limit. The other things is it is proposed that you spend substantial resources increasing the profile of the fish and wildlife folks and power folks. I think that's squandering ratepayer money. Thank you.

**From:** [Scott "RedFishBlueFish" Levy](#)  
**To:** [Sandra Hirotsu](#)  
**Cc:** [Jennifer Anders](#)  
**Subject:** Draft Budget for Fiscal Year 2021 and Fiscal Year 2020  
**Date:** Tuesday, June 25, 2019 10:40:39 AM

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Council,

In considering your budget, I feel that your public relations budget could be reduced so as to increase funding for the Columbia Basin Bulletin. Please consider the following as reason for this change.

Although your group has a stated goal of being a reliable source of information, your High Level Indicator's are years behind the times.

Salmon and Steelhead Returning to the Columbia River and Counted at Bonneville Dam, 1938-2017 (including Chinook and coho jacks)  
Adult Sockeye Returning to Sawtooth Basin Lakes and counted at Lower Granite Dam, 1954-2017  
Adult Returns of Snake River Naturally Produced Fall Chinook Counted at Lower Granite Dam, 1980-2016 (excluding jacks)  
Adult Returns of Snake River Naturally Produced Spring/Summer Chinook Counts to Lower Granite Dam and the Tucannon River, 1980-2016 (excluding jacks)\*  
Adult Returns of Upper Columbia Naturally Produced Spring Chinook and Steelhead Counted at Rock Island Dam, 1980-2017 (excluding jacks)\*

I have spoken with Nancy Leonard three times over the past year about this shortcoming. She has twice informed me that Council members must approve of data updates before they can be posted to these web pages. It is no surprise to me, however, that your politically motivated members do not care to admit the failing of your oversight of \$16 billion expenditures in salmon "recovery" expense since the creation of the Council. That too is an embarrassment.

A month ago, I spoke with Tony Grover. He tells me that in a year or more from now, the Council may have good information with hundred of indicators down to the subbasin level. Until then, my concern about the late arriving display of data (see above, aka. The Big Picture) may just have to wait. The staff is apparently too busy, or something.

But the facts speak for themselves. This is 2019, (not 2016 or 2017) and salmonid returns to Idaho are worse than the dismal returns of last year.

Meanwhile, your group has approved of removing funds from the excellent Columbia Basin Bulletin, which has been a valuable source of unbiased reporting for over two decades. This is absurd and completely unjustifiable. While this publication brings great journalism to the region, sometimes more than once per month, your agency cannot even update numbers (see above) that are publicly available for two dozen months now.

To be concise, your public affairs money could be far bet spent by giving that money to the Columbia Basin Bulletin.

Sincerely,