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March 10, 2020

### MEMORANDUM

**TO:** Fish and Wildlife Committee members

**FROM:** Staff

**SUBJECT:** Discussion of Savings and possible use of funds in FY 2020

### BACKGROUND:

**Presenter:** At the February committee meeting, the Committee asked division staff to bring back options for using available “cost savings” funds. In March Mark Fritsch and Patty O’Toole will review the staff’s estimate of funds secured by the cost savings methodology implemented by the cost savings workgroup that was active from July 14, 2015 through July 14, 2018. Staff will present criteria to use to allocate these funds and will outline possible actions that could be implemented in FY 2020.

**Summary:** Through the cost savings effort, that begun in 2016, \$3.36 million (FY 2016-2019) was identified and approximately \$2.48 million was recommended for several priority actions: supporting habitat reach assessment proposal: *Identification of Suitable Habitats for Blocked Area Reintroduction*, non-recurring maintenance of hatcheries and fish screens, a new Pacific Lamprey project, white sturgeon monitoring and suppression of Northern Pike.

Currently there is not a common understanding between Council and Bonneville staffs on the balance of the savings fund. Table 1 reflects the

accounting as the Council staff understands. The staff estimates that the balance is \$1,174,688 and reflects the base fund taking into account the Council recommendations to date (i.e., O&M and Pacific lamprey).

It is important to note that the Councils debit section of Table 1 is generally treated as a planning budget by Bonneville and is not reflective of the contracted amount for the projects implemented (e.g., contractual period to Fiscal Year). For example, based on the accounting from Bonneville, the unspent balance for Fiscal Year 2020 equals \$427,739 instead of the \$927,233 reflected in Table 1. Bonneville indicates that some of the discrepancies are due to continued expenditures for projects that were closing out at a slower rate than anticipated.

**Table 1. Current status of Cost Savings identified by source and allocations to new work per Council recommendations.**

Credit		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
2007-404-00	Captive Brood		\$355,007	\$355,007	\$355,007	\$355,007	\$355,007
2007-404-00	Captive Brood			\$77,773	\$77,773	\$77,773	\$77,773
1982-013-03	CWT-USFWS		\$29,162	\$29,162	\$29,162	\$29,162	\$29,162
2006-006-00	HEP	\$90,502	\$90,502	\$90,502	\$90,502	\$90,502	\$90,502
2010-076-00	Snake River	\$92,244	\$92,244	\$92,244	\$92,244	\$92,244	\$92,244
2010-033-00	RRS-Methow		\$85,000	\$85,000	\$85,000	\$85,000	\$85,000
2003-063-00	RRS-Abernathy			\$196,670	\$393,340	\$590,010	\$590,000
2007-299-00	RRS-Deschutes			\$110,000	\$220,000	\$330,000	\$330,000
2010-034-00	WDFW - LCM			\$75,000	\$75,000	\$75,000	\$75,000
Total savings found		\$182,746	\$651,915	\$1,111,358	\$1,418,028	\$1,724,698	\$1,724,688
Debit		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
2016-003-00	Blocked area		\$100,000				
1994-043-00	N. Pike		\$40,000	\$106,154			
	Sturgeon RFI			\$283,000	\$233,000		
	O&M - Hatcheries		\$115,000	\$238,000	\$308,070	\$259,975	\$250,000
	O&M - Fish screens			\$236,000	\$281,316	\$237,500	
2017-005-00	Lamprey			\$248,204	\$238,682	\$300,000	\$300,000
	Stellar sea lion equip.				\$51,485		
Total savings utilized			\$255,000	\$1,111,358	\$1,112,553	\$797,475	\$550,000
Unspent savings		\$182,746	\$396,915	\$0	\$305,475	\$927,223	\$1,174,688

Suggested criteria for using funds

The staff suggests that the following criteria be used for recommending work associated with funds that have been collected through the cost savings methodology:

1. Funds should be directed towards high priority activities as described in the Council's 2014 Fish and Wildlife Program and its 2020 Addendum (Part II).
2. Funds should be directed to activities that have been reviewed by the ISRP.
3. Funds should be directed to activities that have been recommended by the Council.
4. Funds should be able to be implemented in 2020 (or current fiscal year).

Potential uses for funds that meet the above criteria:

Project #1998-014-00, Ocean Survival Of Salmonids

Criteria 1:

- 2020 addendum (Part II).
  - *Monitoring and research actions that generate a basic, important level of information about the ocean are thus a core part of the program and need to be preserved. Over the last decade Bonneville has significantly reduced support for the ocean research program, resulting in a more than sixty percent reduction since 2011. The Council supports restoring funding for this element of the program to the level needed to address the following existing and new monitoring and research components, identified as critical by the Independent Scientific Review Panel in recent reviews and as discussed by the Ocean Forum:*
    - *Continue to develop, use, and improve indicators for ocean conditions.*
    - *Investigate and assess the correlations between salmon, their survival, and the ocean environment.*
    - *Continue to develop forecasts of survival.*
    - *Continue to investigate links between freshwater actions and conditions to responses by salmon in the ocean.*
    - *Continue to investigate predator and prey relationships for salmon in the ocean.*

Criteria 2:

- ISRP Document 2019-2, Final Report: Mainstem and Program Support Category Review

*The ISRP noted in recent reviews that the Ocean Survival of Salmonids project is an example of an excellent long-term monitoring project investigating factors that influence the early ocean distribution, timing and survival of salmonids. The key finding is that ocean conditions are highly influential and highly predictive of salmon returns, and ocean conditions can conceal the effects of local restoration actions. These findings are important in the development of models used to*

*investigate the impact of different proposed management actions (for example, additional spill or habitat restoration actions) over the entire salmonid life cycle. In their final Report: Mainstem and Support Category Review, the ISRP further noted that the significance of this ongoing project to the region and to mitigation and management of Columbia River salmon and steelhead is widely recognized and cannot be overstated. The Council agrees. Extending the 21-year dataset and addressing the proposed objectives are critical to understanding how management actions in the Basin may increase salmonid survival at sea.*

Criteria 3:

- Decision made by Council on the Mainstem and Program Support Project Review at its meeting on August 14, 2019. *PART 3: Project-Specific Recommendations – further discussion*

*Bonneville to implement Option B for Ocean Survival of Salmonids, as proposed by the sponsor, at the funding level identified by the sponsor (approx. \$1.5M) and maintain the current project scope that includes additional effort on avian predators and salmon prey. The project should continue to consider freshwater management implications on ocean survival, continue working to understand the biological and physical mechanisms underlying correlations and continue to develop an ecosystem model that will allow for testing various freshwater management actions.*

Criteria 4:

- The Council recommend Option B, for the Project, at \$1,497,082 to date Bonneville has only contracted the project at \$1,270,931<sup>1</sup>. This level of funding does not meet the scope and intent of the Council's decision. This level of funding will: jeopardizes the May cruises into the future and loss of ship time flexibility; will not allow the effort associated avian predators and salmon prey; will provide for fewer samples - resulting in lower precision, having less confidence in accuracy for age/growth, genetic and stock composition indices; less supplies, lack of equipment maintenance and repair will increase error rates; reduce travel will jeopardize planning for the implementation of the project between Seattle Washington, and Astoria and Newport Oregon; general salary reduction lead to less time for the project as a whole; and the lack of the ability to account for unexpected needs.

Project #2017-004-00, Northern Pike Suppression and Monitoring

Criteria 1:

- 2020 addendum (Part II).

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<sup>1</sup> Current budget is \$226,151 less than the recommended level.

- *Adequately sustain and support ongoing efforts to reduce predation and, as described below, increase or revise those efforts as necessary.*
  - *Northern Pike. The Spokane Tribe of Indians, Confederated Tribes of the Colville Reservation, and Washington Department of Fish and Wildlife have developed a comprehensive Northern pike removal proposal that has been reviewed by the ISRP and recommended for implementation by the Council. Bonneville should fund and implement a Northern Pike removal effort based on that proposal, while also working with the relevant state agencies and tribes on a strategy to solicit and obtain contributions to this effort from other affected entities as this is an issue broader than a federal hydrosystem responsibility.*

#### Criteria 2: ISRP review

- ISRP document 2018-3
  - On April 23, 2018 the ISRP provided its review (ISRP document 2018-3). The ISRP found that the proposal meets science review criteria (qualified).
    - The ISRP provides a “Meets Scientific Review Criteria (Qualified)” assessment of the proponents’ response. The ISRP’s comments and qualifications are at two levels: (1) general comments with a programmatic qualification that needs to be addressed to determine whether long-term suppression efforts are justified and meet the ISRP’s criterion of providing benefits to fish and wildlife, and (2) project-specific comments with qualifications regarding changes to methods and other conditions that need to be met to fully justify the short-term project. Suppression efforts in the short term can be justified as experimental, precautionary interventions, but broader analysis and discussion of potential long-term effects and actions are essential. By its design, the Lake Roosevelt suppression project could quickly and significantly change the abundance of northern pike, as well as our knowledge of their status. Accordingly, we recommend that the ISRP regularly review annual reports from the project.

#### Criteria 3:

- On June 13, 2018 the Council approved Project #2017-004-00, *Northern Pike Suppression and Monitoring* for implementation.

The specific language of the recommendation is as follows.

*“the Council recommend that Bonneville support implementation of the northern pike suppression efforts presented as part of Project No. #2017-004-00, Northern Pike Suppression and Monitoring, for implementation*

*beginning in Fiscal Year 2019, with ISRP qualifications regarding changes to methods, reporting and other conditions addressed in contracting”.*

Funds for this proposal have not been identified. Interim funds, in Fiscal Year 2018, provided by the Spokane Tribe’s and the Colville Confederate Tribe’s re-allocation of funds within their portfolios. This reallocation is allowing the suppression effort to continue from the Programs previous support in Fiscal Year 2017. The proposed five-year budget totals \$4,505,442 with an average annual budget of \$901,088<sup>2</sup>.

Criteria 4:

- To date this project has not received the funds to meet the scope and intent of the reviewed and recommended budgets and WDFW has received no funds. As outline in the Council decision the expectations were for other funding sources and to date those seemed to not have been met and either cost savings can be used to support the reviewed and Council recommended project as designed or the Council supports the scope and intent change as currently supported by Bonneville.
  - From the proposal currently under review as part of the 2019-2021 Resident Fish and Sturgeon Project Review.

*The Plan was not funded by BPA, but the CCT and STI were allowed to re-allocate BPA funds from other ongoing projects to implement parts of the Plan. After the initial project approval, BPA created a new project (this project) titled Northern Pike Suppression and Monitoring (Project # 2017-00-04). Both CCT and STI use this umbrella project number to implement their respective Northern Pike Programs. Currently, WDFW is partially funded under a sub-contract from STI but funding is insufficient to implement its portion of the Plan.*

*In 2018 and 2019, the CCT’s BPA program re-allocated \$400,000 from existing Accord funds to the new BPA project. The CCT also sought and acquired funds from internal CCT programs, Grant County Public Utility District (PUD), Chelan PUD, Bureau of Indian Affairs (BIA), and the National Park Service (NPS) to implement its portion of the program. CCT’s annual operating budget is approximately \$675,000.*

*In 2018 and 2019, the STI re-allocated \$269,222 from existing portfolio funds to the new BPA project. The STI then combined these funds with STI internal funds and Avista Utilities, and the Bureau of Indian Affairs funds to implement its portion of the program. The STI’s annual operating budget is approximately \$415,000.*

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<sup>2</sup> The proposal was designed to address implementation for FY 2018 through 2022.

*Since 2018, WDFW has appropriated \$100,000 in Washington State General Funds and \$40,000 from a STI sub-contract under the Lake Roosevelt Data Collection Project (BPA Project 1997-043-00) annually to implement monitoring and suppression efforts at Lake Roosevelt. Additionally, Chelan PUD provided some limited funding to WDFW to support suppression efforts in 2018.*

*This proposal seeks funding (STI and WDFW) and the ability to re-allocate funds (STI and CCT) for a comprehensive, collaborative co-managed project for the suppression of Northern Pike in Lake Roosevelt.*

Currently the Spokane Tribe of Indians is contracted at \$269,222 (8/1/2019 - 7/31/2020) and a pending contract at \$269,222 (8/1/2020 - 7/31/2021). The Confederated Tribes of the Colville Reservation is contracted at \$391,565 (2/1/2020 - 1/31/2021) and a pending contract at \$172,577 (2/1/2021 - 1/31/2022). To date Washington Department of Fish and Wildlife has received no contract – as part of the Council decision in June 2018 the average annual budget for WDFW was estimated at \$191,596.