

Fiscal Year 2014 Budget and Fiscal Year 2013 Revisions

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A. MISSION AND GOALS STATEMENT

(The Council's mission and goals are derived from Public Law 96-501,
The Pacific Northwest Electric Power Planning and Conservation Act of 1980)

MISSION

To balance protection of two vital Northwest resources:
affordable electricity and **healthy fish and wildlife
populations.**

GOALS

- To provide leadership in developing policies for regional electric power and fish and wildlife issues.
- To develop and implement a plan to achieve an adequate, efficient, economical, reliable, and environmentally sound power supply while mitigating the effects of the hydroelectric system on the Columbia River and its tributaries by protecting and enhancing fish and wildlife in a scientifically sound manner.
- To encourage development and use of cost-effective conservation and renewable resources in the region.
- To encourage cooperation, balance the needs of competing interests and ensure protection of the public interest by providing an accountable, open, and fair decision-making process.

B. BUDGET HISTORY

BUDGET HISTORY

COUNCIL FUNDING BACKGROUND

The Northwest Power Act, as passed by Congress in 1980, establishes a funding mechanism to enable the Council to carry out its functions and responsibilities. The Bonneville Power Administration provides this funding through ratepayer revenues. The Act establishes a formula to determine a funding limitation threshold, and authorizes the Council to determine its organization, and prescribe practices and procedures to carry out its functions and responsibilities under the Act.

The Act further provides that the funding limitation applicable to annual Council budgets will be calculated on a basis of 0.02 mill multiplied by the kilowatt hours of firm power forecast to be sold by the Bonneville administrator during the year to be funded. The limitation may be increased to .10 mill, provided the Council makes an annual showing that such limitation will not permit the Council to carry out its functions and responsibilities under the Act.

The basis of the funding methodology (firm power forecast to be sold) embraces authorities set forth in other sections of the Act that describe the Congressional expectation that Bonneville will serve all anticipated load growth for the region in the future. As such, the Act authorizes Bonneville to supply all of the

incremental electricity needed in the future for the region, if so desired by its customers and others.

FISCAL YEAR 2014

The Council has determined that the 0.02-mill limitation will not allow the Council to carry out its functions and responsibilities under the Power Act in Fiscal Year 2014. As detailed in Appendix C of this report, the Council determined that an amount equal to 0.086 mill, which totals \$10,359,000, will be required in Fiscal Year 2014.

ANNUAL BASELINE BUDGETS

Since 1997, the Council has negotiated annual budget ceilings with Bonneville that cover specific Bonneville rate periods. These negotiated agreements incorporate various budgetary constraints such as:

- Current-level service budgets from the preceding budget period.
- Restrictive cost-of-living adjustments for personal services expenditures.
- Cost-cutting actions to cushion the impact of inflation.
- Program improvements individually cost-justified.

By applying these budgeting principles on an annual basis, the Council has been able to successfully confine budget growth to less than 3 percent per year over the last 15 years (1998-2013).

BUDGET VERSUS ACTUAL EXPENDITURE CONSIDERATIONS

The Council attempts to project workloads and resource requirements two years in advance with some opportunity for budget revisions occurring prior to the beginning of each fiscal year.

During each annual budget cycle the Council:

- Manages overall expenditures to the most cost-effective level.
- Conserves unanticipated cost savings in a prudent manner.
- Reprioritizes the allocation of funding and staff resources to accommodate new workloads and unanticipated responsibilities.

Actual expenditures in one budget year may not necessarily be reliable indicators of funding requirements in future budget cycles because:

- Changes in Council workloads, programs, and responsibilities are difficult to anticipate and are often initiated by external events in the region or by requests from the Congressional delegation or the states' governors.

- Programs and activities that are budgeted but deferred because of new and emerging higher priorities are often re-budgeted in succeeding years because of their continued need and importance.

FISCAL YEARS 2013 - 2014 DRAFT BUDGETS

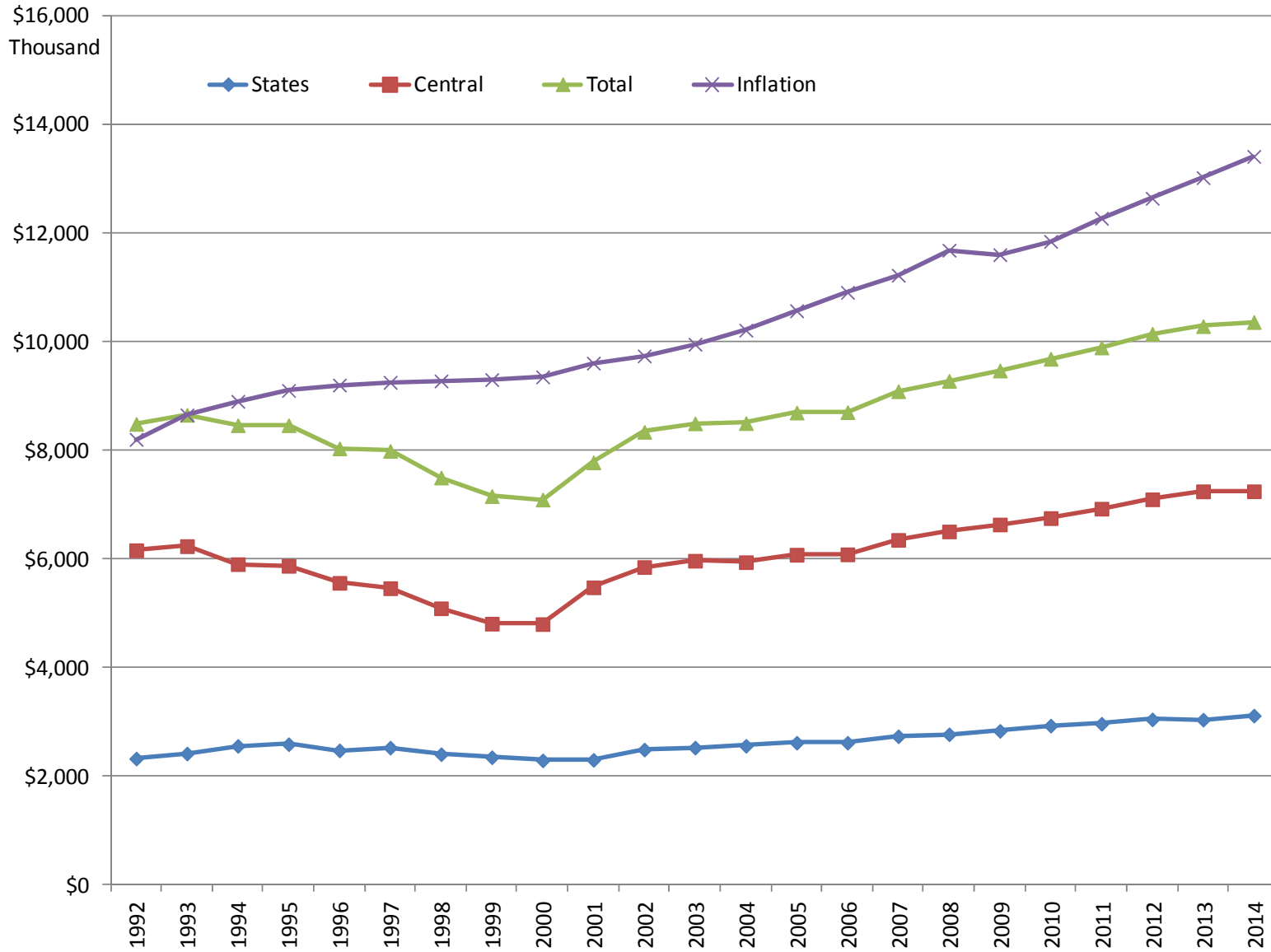
The Council's draft budget reflects the proposed budget for Fiscal Year 2014 and the recommended revisions to the Fiscal Year 2013 budget. In addition, the draft budget contains the out-year budget projection for fiscal years 2015 and 2016. The Council is committed to carrying out its current responsibilities and workloads within these projected funding levels.

A summary of the draft budgets for the last four budget years follows. These projections show an average annual growth over the five-year period, 2009 - 2014, of less than 3 percent per year. This reflects current-level service based on the Fiscal Year 2007-revised budget.

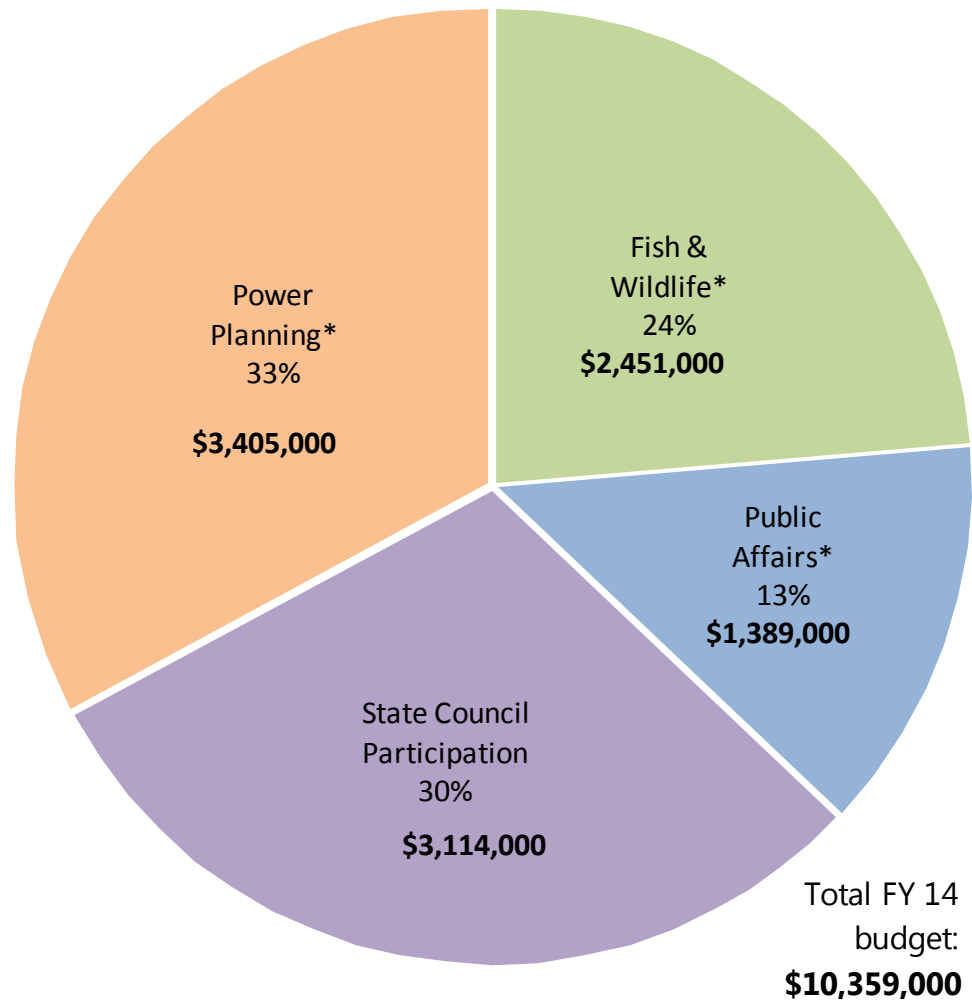
Fiscal Year 2009	\$9,467,000	
Fiscal Year 2010	\$9,683,000	(2.3%)
Fiscal Year 2011	\$9,891,000	(2.1%)
Fiscal Year 2012	\$10,114,000	(2.3%)
Fiscal Year 2013	\$10,283,000	(1.7%)
Fiscal Year 2014	\$10,359,000	(0.7%)

The Council showing, required by the Act, for Fiscal Year 2014 is contained in Appendix C.

Budget History by Function (Figure 1)



Budget by Function (Figure 2)



* Includes central office administration burden for executive management, as well as legal, fiscal and administrative services.

FISCAL YEAR 2013/FISCAL YEAR 2014 BUDGET STRATEGY

The Council is aware of the current economic challenges facing the four-state region, and the need to maintain healthy financial conditions for the Bonneville Power Administration. In an effort to be responsive, the Council in Fiscal Year 2013 and Fiscal Year 2014 will continue to adhere to the budget constraints initiated in 1998.

To accomplish this, the Council will:

1. Continue to identify efficiencies in operations and administration in order to limit inflationary increases to an average below 3 percent during fiscal years 2009-2014.
2. Reallocate staffing where possible to absorb new workload without increasing FTEs.
3. Re-prioritize resources as necessary to respond to new requests for technical analysis. Reschedule or postpone work anticipated during the budget-development process in order to respond to the most essential requests for studies and analyses.

FISCAL YEAR 2014 PROPOSED BUDGET REQUEST

Based on the major issues and levels of effort discussed on the preceding pages and described in more detail in other sections of this document, the Council has determined that the proposed budget expenditures are necessary and appropriate for the performance of its functions and responsibilities as authorized by the Northwest Power Act, Section 4(c)(10)(A). The Council further

has determined that the 0.02 mill per kilowatt-hour limitation on expenses will not permit the Council to carry out its functions and responsibilities under the Act, Section 4(c)(10)(A). (See Appendix C for a detailed description of the Council's showing under the Act.) The Council proposes that the projected budget in the amount of \$10,359,000 for Fiscal Year 2014, equal to 0.086 mills per kilowatt-hour for the estimate of forecasted firm power sales, be included in the Bonneville administrator's Fiscal Year 2014 budget submittal.

FISCAL YEAR 2013 PROPOSED BUDGET REVISIONS

The Council's Fiscal Year 2013 revised budget of \$10,283,000 includes a \$72,000 decrease from the previously submitted Fiscal Year 2013 budget request of \$10,355,000. The Council's budget for Fiscal Year 2014 and Revised Fiscal Year 2013 is based on current-year expenditure levels plus adjustments for shifting workloads, certain program improvements, and cost-of-living adjustment factors as provided by the U.S. Department of Energy (Bonneville) and the Oregon Economic and Revenue Forecast. A number of cost-containment measures for personal services, travel, contracts, and services and supplies have been incorporated in the budget.

Budget/Expenditure Summary (Table 1)

(000s omitted)

	FY11 <u>Budget</u>	FY11 <u>Actual</u>	FY12 <u>Budget</u>	FY12 <u>Estimate</u>	FY13 <u>Budget</u>	FY13 <u>Revised</u>	FY14 <u>Budget</u>	FY15 <u>Projected</u>	FY16 <u>Projected</u>	FY17 <u>Projected</u>	FY18 <u>Projected</u>
Expenditures:											
Personal Services*	\$5,331	\$4,973	\$5,432	\$5,284	\$5,504	\$5,411	\$5,507	\$5,643	\$5,777	\$5,892	\$6,010
Travel	207	197	223	223	237	\$237	248	248	248	248	248
Contracts	353	343	353	403	395	\$491	383	373	373	373	373
Other Operating Expenses	<u>1,034</u>	<u>1,025</u>	<u>1,088</u>	<u>1,159</u>	<u>1,107</u>	<u>\$1,104</u>	<u>1,107</u>	<u>1,131</u>	<u>1,117</u>	<u>1,123</u>	<u>1,124</u>
 SUBTOTAL	 \$6,925	 \$6,538	 \$7,096	 \$7,069	 \$7,243	 \$7,243	 \$7,245	 \$7,395	 \$7,515	 \$7,636	 \$7,755
 State Budgets	 <u>2,966</u>	 <u>2,734</u>	 <u>3,046</u>	 <u>2,906</u>	 <u>3,112</u>	 <u>3,040</u>	 <u>3,114</u>	 <u>3,188</u>	 <u>3,273</u>	 <u>3,358</u>	 <u>3,432</u>
 TOTAL	 <u>\$9,891</u>	 <u>\$9,272</u>	 <u>\$10,142</u>	 <u>\$9,974</u>	 <u>\$10,355</u>	 <u>\$10,283</u>	 <u>\$10,359</u>	 <u>\$10,584</u>	 <u>\$10,788</u>	 <u>\$10,995</u>	 <u>\$11,187</u>

* Authorized positions represent full staffing. Underutilization of authorized positions can occur during the fiscal year and result in an under-expenditure in the personal services budget. Also, costs associated with payroll taxes, insurance, and benefits can be different than budget projections because of staffing changes and inflationary effects. Some positions are filled on a part-time basis.

FY 2013 Revised Program Forecast (Table 2)

(000s omitted)

	Power Planning	Fish & Wildlife	Public Affairs	Legal	Admin	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Compensation	\$1,292	\$894	\$480	\$259	\$807	\$3,732
Other Payroll Expenses	581	402	216	117	363	1,679
Travel	82	59	48	21	27	237
Contracts	263	165	0	8	55	491
Other Operating Expenses	<u>76</u>	<u>8</u>	<u>125</u>	<u>28</u>	<u>867</u>	<u>1,104</u>
SUBTOTAL	\$2,294	\$1,528	\$869	\$433	\$2,119	\$7,243
State Budgets:	<u>(000s)</u>					
Idaho	\$769					
Montana	750					
Oregon	750					
Washington	<u>771</u>					
SUBTOTAL	\$3,040					<u>3,040</u>
TOTAL						<u>\$10,283</u>

FY 2014 Program Forecast (Table 3)

(000s omitted)

	<u>Power Planning</u>	<u>Fish & Wildlife</u>	<u>Public Affairs</u>	<u>Legal</u>	<u>Admin</u>	<u>Total</u>
Compensation	\$1,272	\$923	\$494	\$270	\$839	\$3,798
Other Payroll Expenses	\$572	\$415	\$222	\$122	\$378	\$1,709
Travel	\$84	\$61	\$50	\$24	\$29	\$248
Contracts	\$180	\$165	\$0	\$8	\$30	\$383
Other Operating Expenses	<u>\$76</u>	<u>\$8</u>	<u>\$125</u>	<u>\$28</u>	<u>\$870</u>	<u>\$1,107</u>
SUBTOTAL	\$2,184	\$1,572	\$891	\$452	\$2,146	\$7,245
State Budgets:	<u>(000s)</u>					
Idaho	\$790					
Montana	\$766					
Oregon	\$766					
Washington	<u>\$792</u>					
SUBTOTAL	\$3,114					<u>\$3,114</u>
TOTAL						<u>\$10,359</u>

C. INTRODUCTION

BACKGROUND

The Northwest Power and Conservation Council was authorized by Congress in 1980 through the Pacific Northwest Electric Power Planning and Conservation Act and held its first meeting on April 28, 1981. The Council is an interstate compact agency of Idaho, Montana, Oregon, and Washington, not an agency of the U.S. government. (Section 4 (a)(2)(A)). The four state legislatures created the Council in response to the Power Act.

The principal duties of the Council under the Northwest Power Act are to: 1) develop a regional power plan to assure the Northwest an adequate, efficient, economical and reliable power; 2) develop a fish and wildlife program to protect, mitigate, and enhance fish and wildlife affected by hydroelectric development in the Columbia River Basin and make annual funding recommendations to the Bonneville Power Administration for projects to implement the program; and 3) provide for broad public participation in these processes and inform the public about regional energy and fish and wildlife issues (Sections 2(1)(A) and (B), (3), (3)(A)). Bonneville, the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers, and the Federal Energy Regulatory Commission are the principal agencies charged with implementing the fish and wildlife program (Sections 4(h)(10), (11)(A)). Bonneville implements the Council's conservation and electric power plan (Sections 4(d)(2), 6(b)(1)).

Funding for the Council is provided by Bonneville, a self-financing federal agency, not by the Federal Treasury or by any state government in the region. The Northwest Power Act directs that expenses of the Council (subject to certain limits described in Appendix C of this report) shall be paid from funds available to the Bonneville administrator and shall be included in Bonneville's annual budget submitted to Congress pursuant to the Federal Columbia River Transmission System Act (Section 4(c)(10)(A) of the Power Act).

The goals of the Power Act – assuring an adequate, efficient, economical, and reliable power supply; encouraging conservation and renewable resources; and protecting, mitigating, and enhancing the fish and wildlife resources of the Columbia River Basin – are of vital importance to the social and economic welfare of the Northwest.

COUNCIL RESPONSIBILITIES

NORTHWEST CONSERVATION AND ELECTRIC POWER PLAN

The Power Act directs the Council to develop and periodically amend a plan to ensure the Pacific Northwest of an adequate, efficient, economical, and reliable electric power supply (Section 4(d)). The Council adopted the first version of its Northwest Power Plan in 1983 and amended the Plan in 1986, 1989, 1991, 1996, 1998, 2004 and 2010.

At the time Congress passed the Power Act, wholesale electricity sales were regulated. Since the mid-1990s, however, wholesale power has been sold competitively. While federal law changed the nature of electricity sales, the Power Act goals of assuring reliable and affordable electricity remain an important focus and responsibility of the Council's regional power planning. The Council continues its efforts to accomplish the goals of the Northwest Power Act in ways that are consistent with the changing electricity market.

The 2010 revision of the Power Plan, called the Sixth Northwest Power Plan, focused on maintaining the adequacy and reliability of the power system within the current market structure, recommending a future resource strategy that minimizes costs while ensuring appropriate levels of resource diversity and risk management, and balancing the interactions between fish and power. To reach these goals, the Council views its power planning responsibilities to include, in addition to preparing and periodically amending the Power Plan:

1. **Promoting Implementation of the Council's power plan.** Working with regional interests to devise ways of providing guidance in meeting the region's conservation and generating resource goals consistent with the power plan and tracking regional progress through staff analysis, the Regional Technical Forum and other advisory committees..
2. **Analyzing the Regional Electricity Market.** Providing information, evaluation, and analyses of the evolving electricity issues. A new area of focus is on the evolving need to analyze the capacity and flexibility of the power

system to meet peak electricity needs and integrate variable generation resources.

3. **Analyzing the Power System.** Providing valuable, high-quality, and timely analyses of electricity issues and interactions between fish and the electric power system, including enhanced analytical models that more accurately capture the effects of changes in the operation and configuration of the hydroelectric system, and energy system reliability.

The Council is currently focusing on implementation the Sixth Power Plan which was adopted in April 2010. In 2012, the Council will produce a mid-term assessment of the Sixth Power Plan and begin development of the Seventh Power Plan.

COLUMBIA RIVER BASIN FISH AND WILDLIFE PROGRAM

The Power Act (Section 4(h)) directs the Council to develop, adopt, and periodically amend a program to protect, mitigate, and enhance fish and wildlife affected by the development and operation of hydroelectric projects in the Columbia River Basin and also review Bonneville's progress in implementing the program (Sections 4(h and i)). In addition, the Council monitors the efforts of the Corps of Engineers, Bureau of Reclamation, and Federal Energy Regulatory Commission to take into consideration the fish and wildlife program in decision-making.

The Council adopted its first Columbia River Basin Fish and Wildlife Program in November 1982. The Council amended the Program in 1984, 1987, 1992, 1994/95, 2005, and most recently

in February 2009. The Program incorporates a basinwide vision, biological objectives, strategies, and a scientific framework in a unified plan for fish and wildlife recovery.

With the assistance of the Independent Scientific Review Panel, the Council also reviews and makes recommendations concerning projects proposed for funding by Bonneville to implement the Fish and Wildlife Program.

The 2000 revision included a multi-species approach for decisionmaking, and the 2003 mainstem amendments included a plan for the operation of the federal hydrosystem. An initiative to develop subbasin plans throughout the Columbia Basin began in 2003. Those 59 plans, adopted in 2004 and 2005, will help define the environmental and biological goals specific to fish and wildlife within the basin.

The 2009 revision incorporated several NOAA-Fisheries and U.S. Fish and Wildlife Service Biological Opinions as well as several Columbia Basin Fish Accords executed with certain Indian Tribes and states. The entire suite of Accords, Biological Opinions, subbasin plans, mainstem amendments and the basic elements of the Fish and Wildlife Program is intended to be implemented in an integrated, consistent manner throughout the Columbia River watershed.

In addition to preparing the Fish and Wildlife Program, the Council views its fish and wildlife planning responsibilities to include:

1. **Utilizing Best Available Scientific Information.** Through two panels of independent scientists, ensuring that the

best available science is applied in the development of regional fish and wildlife recovery measures.

2. **Economic Analysis.** Through the Independent Economic Analysis Board, bringing more rigorous economic analysis to the development and evaluation of fish and wildlife measures.

PUBLIC INVOLVEMENT

The Power Act requires the Council to develop and maintain comprehensive programs to inform the public of major regional power and fish and wildlife issues, and obtain feedback from the public, Bonneville, Bonneville's customers, fish and wildlife agencies, Indian tribes, and others for consideration in its decision-making (Section 4(g)). The Council also is required to report to Congress annually on actions taken to implement the Power Act (Section 4(h)). In addition to these activities, the Council views its public involvement responsibilities to include:

1. **Encouraging Regional Cooperation.** Fostering regional cooperation and coordination on activities that support the goals of the Power Act.
2. **Educating the public about the Council's decision-making and involving the public in those processes.** The Public Affairs Division arranges public meetings and public hearings, arranges for transcription of these meetings when necessary to create a legal record of proceedings, distributes information about decision-making processes, receives comments from the public and distributes them to the Council members, staff, and the

public, and performs other duties to ensure public

participation in decision-making.

D. ORGANIZATION FUNCTIONS

COUNCIL ORGANIZATION

The governors of Idaho, Montana, Oregon, and Washington each appoint two members to the Northwest Power and Conservation Council. The eight-member Council sets policy and provides overall leadership for Council activities.

The Council's work is performed, depending on the tasks, by the Council's professional staff (including staff in a central office and in each state), consultants under contract, or by public agencies and Indian tribes under intergovernmental agreements. The Council's executive director is responsible for coordinating with the eight member Council, supervising the central office staff, administering the contracts, and overseeing the day-to-day operations of the Council. The Council approves major contracts and the overall work plan.

STATE OFFICE ORGANIZATION

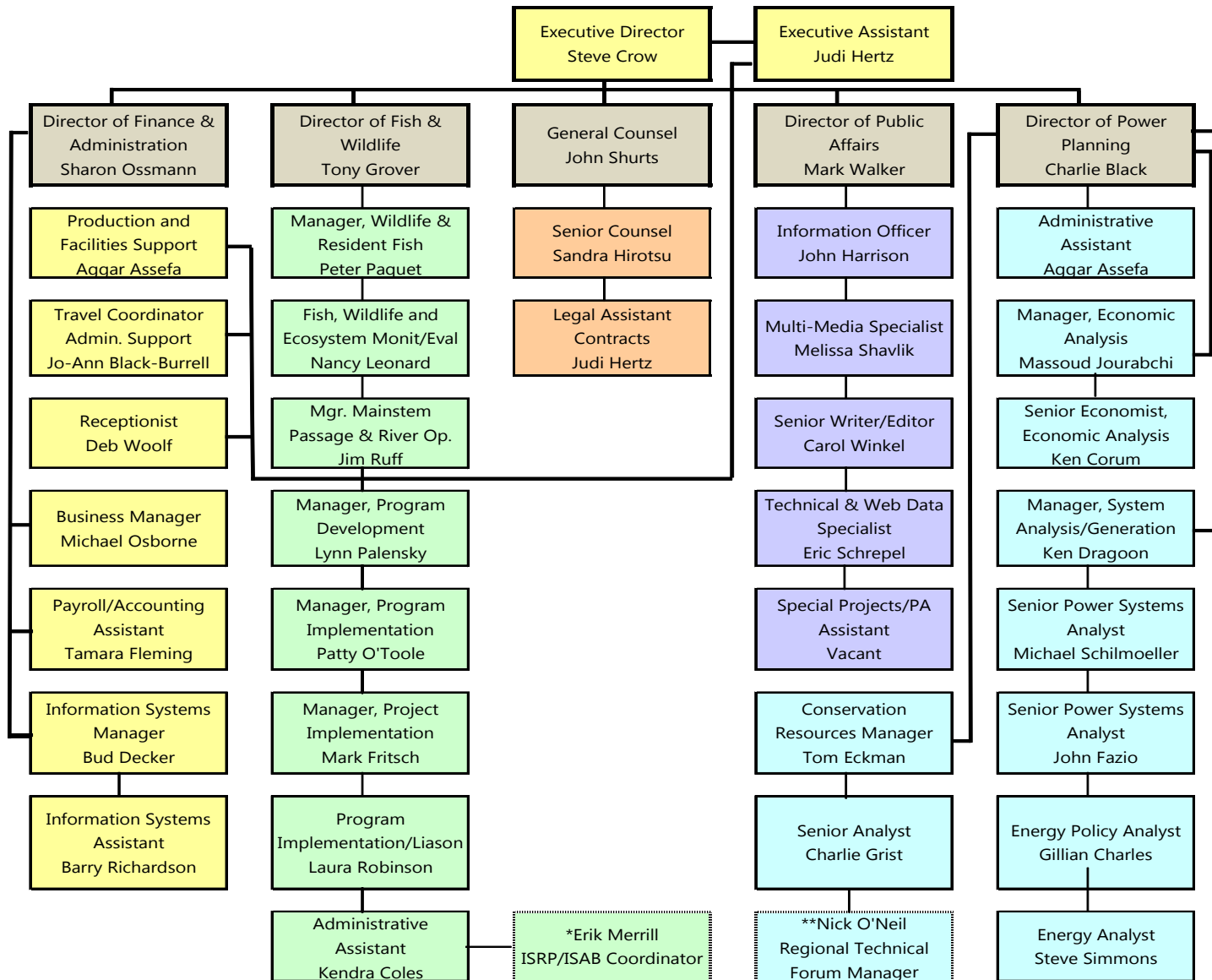
Professional staff in each state provide technical review and assistance to Council members in evaluating matters before the Council. State staff also participate in designing and developing public involvement programs that focus on the implementation of the Power Plan and Fish and Wildlife Program in their particular states. This support is provided through existing state

agencies or by individuals directly under Council member direction.

CENTRAL OFFICE ORGANIZATION

The central staff, under the leadership of the executive director, has been organized into five divisions: Power; Fish and Wildlife; Public Affairs; Legal; and Administrative.

Divisional Organization Chart (Figure 3)



* ISRP/ISAB funded position
 ** RTF-Funded Position

E. POWER DIVISION

The efforts of the Power Division in Fiscal Year 2012 and Fiscal Year 2013 will be focused on promoting and implementing the Council's Sixth Power Plan.

The Sixth Power Plan determines a resource strategy for the Pacific Northwest that provides an adequate, reliable, and economical power system. The strategy minimizes the expected cost of the region's electricity supply while addressing the risks posed by unknown economic growth, energy prices, and environmental policies.

Improved efficiency of electricity use is the key to the power plan's benefits. Efficiency is far cheaper than any other resource alternative, and it provides protection against higher and more volatile fuel prices and uncertainty about policies to mitigate climate change. The Sixth Power Plan finds that 85 percent of the region's growth in electricity needs can be met with cost-effective efficiency improvements.

The plan assumes that existing renewable energy standards will be met and finds that remaining additional electricity needs should be based on natural gas-fired generation technologies.

The Sixth Power Plan would allow the region to meet carbon dioxide emission reduction goals that have been adopted or are being discussed. There are two keys to meeting these goals; achieving the plan's efficiency improvements and reducing the region's reliance on coal-fired generation. While coal provides only 20 percent of the region's electricity, it is the source of over

85 percent of the regional power system's carbon dioxide emissions.

The Sixth Power Plan also addresses the challenges of integrating growing amounts of variable wind power into the power system, upgrading and expanding the transmission system, developing new sources of renewable generation, and promoting new technologies for generation, efficiency, and operation of the power grid.

In particular, the Division will be concentrating its efforts on the following areas:

IMPLEMENTATION OF THE COUNCIL'S SIXTH POWER PLAN

This will involve working closely with Bonneville, state regulators, utilities, and others in the following areas:

- Development of improved efficiency resources. Higher costs of generation combined with and new efficiency technologies and practices resulted in a significantly larger amount of cost-effective conservation than what was included in the last Power Plan. Development of that conservation in a sustained manner will reduce long-run cost and risk for the power system and yield environmental benefits.

- Explore and demonstrate the potential of smart-grid technologies to improve power system reliability and efficiency. Such technologies have the potential to facilitate customer efficiency investments and demand response. Demand response is the ability to voluntarily reduce loads in response to high prices or tight supplies. The Plan identifies the potential value of demand response for meeting peak demand requirements and helping integrate variable output wind generation.
- Take the necessary steps to implement generating resources when needed including:
 - Resolving uncertainties regarding the ability to site large wind-power developments in the region and the cost of integrating large amounts of wind generation into the power system.
 - Developing resources to meet capacity needs and provide the flexibility reserves necessary to successfully integrate growing variable generation sources. This may require near-term investments in generation resources to provide reliable electricity supplies in specific utility balancing areas.
 - Monitoring and evaluating the potential for sequestering carbon from power generation and other low-carbon energy alternatives.
 - Assessing regional resource adequacy by refining and applying the resource adequacy standards adopted by the Council in 2008.
- Encouraging load-serving entities to use effective resource planning methods that incorporate consideration of risk.
- Encouraging the development of institutions and mechanisms for effective planning, expansion, operation, and management of the region's transmission system.
- Encouraging the identification and development of cost-effective local renewable generation potential.
- Continuing efforts to encourage consideration of cost-effectiveness in fish and wildlife planning and better integrating fish and wildlife mitigation and power planning.
- Monitoring and evaluating the state of the science and policy of climate change and adjusting resource planning accordingly.

PARTICIPATION IN REGIONAL AND WESTERN ENERGY POLICY DEVELOPMENT FORUMS

- The Northwest is increasingly part of a West-wide power system. Actions elsewhere in that system can have profound implications for the Northwest. This has necessitated dedicating increasing amounts of staff time to activities like Columbia Grid, Northern Tier Transmission Group, the Western Electricity Coordinating Council (WECC) and many of its committees and, the Committee on Regional Electric Power Cooperation (CREPC). Division staff will continue to be involved in

these activities in the coming years to the extent our resources can support it.

- In addition, the Power Division will continue its involvement with the activities of the Bonneville Power Administration to carry out its responsibilities in power supply. The thrust of those changes is to:
 - provide power beyond the capability of the existing system only to those who request it and who agree to bear the costs of the additional resources acquired through tiered rates or a similar mechanism; and
 - continue to facilitate cost-effective conservation and renewables development.
- The Council formed the Northwest Resource Adequacy Forum to develop resource adequacy standards and measures. The adopted standards will continue to be refined and implemented over the next two years.
- The Council will manage the new Northwest Wind Integration Forum to complete the activities recommended in the Wind Integration Action Plan.
- The Council will also manage a regional process to advance the development of demand response resources, The Pacific Northwest Demand Response Program.
- Council staff will participate in utility integrated-resource planning processes by providing data and advice.

- The staff will continue to manage the Regional Technical Forum and actively work with conservation organizations such as the Northwest Energy Efficiency Alliance and the Oregon Energy Trust.

PROVIDING INFORMATION AND ANALYTICAL SUPPORT TO THE REGION, INCLUDING:

- Supporting efforts to develop cost-effective energy efficiency initiatives and renewable resources, through support of the Regional Technical Forum (RTF), activities related to Bonneville's conservation programs and conservation planning and acquisition of the Northwest Energy Efficiency Alliance (NEEA), Energy Trust of Oregon, and individual utilities throughout the region.
- Sponsoring and convening the RTF. The RTF has become the primary regional source of technical information on cost-effective efficiency measures and the verification of their savings. In response to recommendations from the Northwest Energy Efficiency Taskforce, the RTF upgraded its management and operations with assistance from a new policy advisory committee created by the Council to place its funding and operation on a more stable and predictable basis.
- Supporting the activities of the Independent Economic Analysis Board.

- Providing analysis of the effects of fish recovery initiatives on the power system, and of power system operations on fish and wildlife.
- Periodic evaluation of future power supply adequacy.
- Providing analytical support to understand the carbon footprint of the Northwest Power System and to inform implementation of regional carbon-reduction goals.
- Providing information and data on the regional energy system in response to requests.
- Providing specialized energy analyses to support other regional organizations.

- Enhancing the GENESYS model of hydroelectric and other generating resources.
- Further developing analytical capabilities for the Western power and transmission grid.
- Staying abreast of emerging efficiency and generating technologies and their costs.
- Improving the ability to assess electricity capacity.
- Exploring methods to assess and measure existing flexibility reserves and to predict how the needs for these could change over time.

MAINTAINING AND ENHANCING THE COUNCIL'S PLANNING AND ANALYTICAL CAPABILITY:

- The Council staff must devote substantial time and resources to preserving and enhancing its modeling and analysis capabilities. During 2013 and 2014 this will include:
 - Maintain and enhance data bases for all areas of planning including loads, resources, prices, and technologies.
 - Refining and applying the new demand forecasting capability
 - Refining the portfolio risk assessment model and making it accessible to utilities in the region.

These activities will form the core of the Power Division's activities over the next two years. The work plan and staffing of the Power Division reflect the following functions:

1. **Power System Analysis and Generating Resources (Contracts \$75,000)**

- A. **Carry out system analyses of power issues.** Assess and inform the region regarding adequacy of the power supply, implications for power system reliability, and alternatives for maintaining an adequate and reliable power supply. Evaluate resource strategies and perform issue-specific analyses (contract support is required to maintain the Council's license to the AURORA™ price forecasting model and assistance in the staff's own modeling efforts).

- B. **Analyze the carbon emission of the Northwest power system and the broader Western power system.**
- C. **Complete the Olivia system for developing utility-scale versions of the portfolio risk analysis model.** Making this model accessible and scaled to individual utility planning will facilitate consideration of risk in utility integrated resource planning.
- D. **Carry out analyses of the effects of fish and wildlife initiatives on the power system.** The Council provides the states and the people of the Northwest the capability to independently analyze and evaluate the interactions between the power system and fish and wildlife. Division staff will continue to provide this analytical capability and, in particular, will perform analyses in support of the Council's amendment of its Fish and Wildlife Program.
- E. **Maintain data on existing and potential generating resources.** The Council has become a source for reliable data on both existing and potential new generating resources. Division staff will continue to research new technologies and their costs and maintain publicly available databases containing this information.
- F. **Maintain and enhance the GENESYS Model for evaluation of the Northwest power system.** This model is widely used for understanding the operations of the hydroelectric system in the context of other generating resources. It is also the primary tool for assessing the adequacy of the regional power system and for estimating the effects of operational constraints

for fish and wildlife on the capability of the power system.

2. **Energy Efficiency (Contracts \$45,000)**

- A. **Support the Regional Technical Forum to identify cost-effective efficiency actions and to document their savings through utilities' and others' actions.** The Regional Technical Forum will be updating information in its conservation database and website, and will be monitoring, evaluating, and documenting utility conservation savings. The Division provides management and guidance for the Regional Technical Forum.
- B. **Research and maintain data on energy efficiency technologies and their costs.** The Council is a key source of this information. The Council's information is widely used in utility integrated resource plans and in other forums addressing conservation opportunities and policies.
- C. **Work with Bonneville, regional utilities, regulators, and legislators to help achieve the efficiency targets in the Council's Power Plan.** The conservation staff participates actively in many regional forums where decisions affecting conservation are made, providing data, advice, and analysis.

3. **Economic Assessment and Forecasting of Electricity Demand (Contracts \$60,000)**

- A. **Maintain information and data bases on the regional economy, fuel and electricity prices, and electricity demand.**
- B. **Upgrade the Council’s demand-forecast tools.** The Division has developed new short-term demand forecasting tools and has adopted a new long-term demand-forecasting model. These models will facilitate more detailed analysis of hourly and seasonal demand patterns to support improved capacity analysis.
- C. **Provide analysis in support of conservation and demand response resource potentials and consumer response.**
- D. **Continue to support the efforts of the Independent Economic Analysis Board.**

additional retirements during fiscal year 2013 with some additional transitional expenses for staff overlap and training.

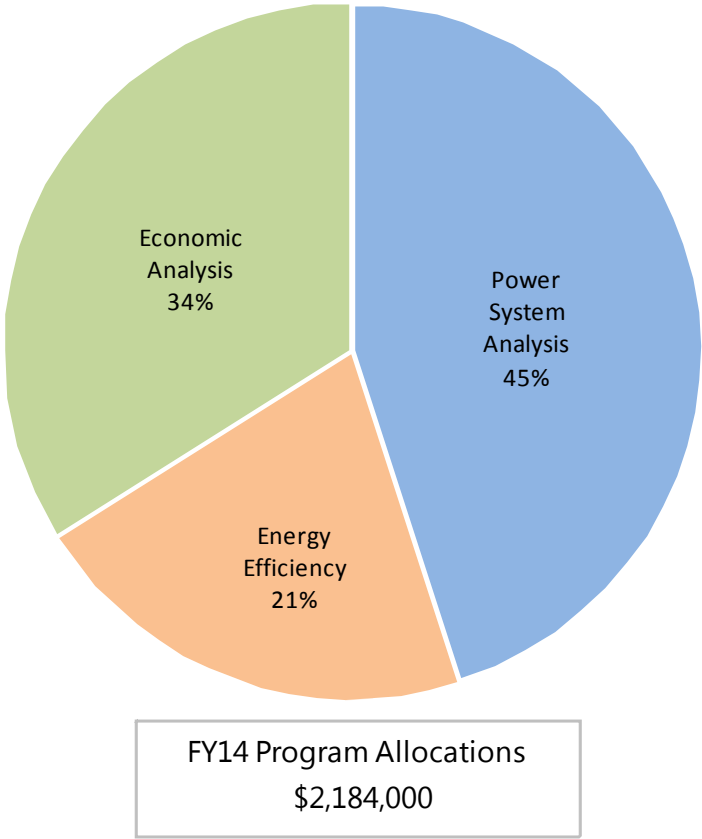
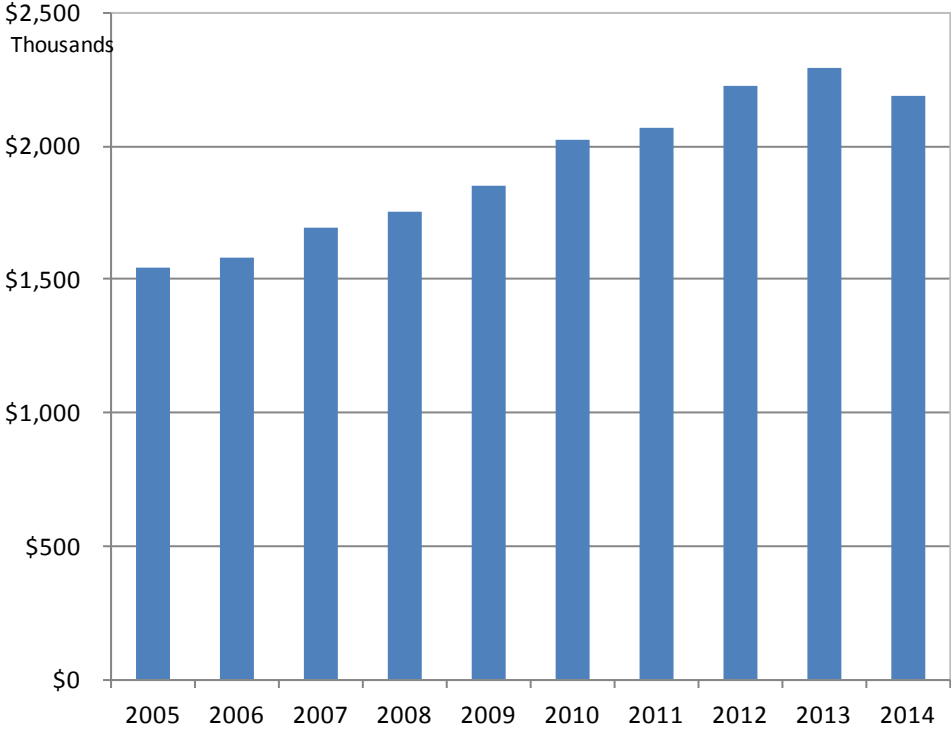
TRAVEL

In Fiscal Year 2013 and 2014 travel costs for Power Division staff will increase in anticipation of more Council meetings outside of Portland. Efforts to increase the use of web-based meeting will make the increase smaller.

STAFFING

In 2012, recruiting will take place to fill vacancies due to senior staff retirements. In addition, the division added one staff member to manage the Regional Technical Forum and lead technical analysis on energy efficiency resources. The position is funded by the sponsors of the RTF. The Power Division expects

Budget History (Figure 4)



Expenditures by Category (Table 4)

(000s omitted)

	FY11 Actual	FY12 Budget	FY12 Estimate	FY13 Budget	FY13 Revised	FY14 Budget
Compensation	\$1,209	\$1,349	\$1,273	\$1,331	\$1,292	\$1,272
Taxes, Insurance & Benefits	469	573	573	565	581	572
SUBTOTAL	\$1,678	\$1,922	\$1,846	\$1,896	\$1,873	\$1,844
TRAVEL						
Staff	\$74	\$79	\$79	\$80	\$80	\$82
Advisory Committees	1	2	2	2	2	2
SUBTOTAL	75	81	81	82	82	84
CONTRACTS						
(See detail Table 5)	148	150	200	192	263	180
OTHER OPERATING EXPENSES						
(See detail Table 5)	55	76	76	76	76	76
TOTAL	<u>\$1,956</u>	<u>\$2,229</u>	<u>\$2,203</u>	<u>\$2,246</u>	<u>\$2,294</u>	<u>\$2,184</u>

Supplemental Expenditures (Table 5)

(000s omitted)

	FY11 <u>Actual</u>	FY12 <u>Budget</u>	FY12 <u>Estimate</u>	FY13 <u>Budget</u>	FY13 <u>Revised</u>	FY14 <u>Budget</u>
I. CONTRACTS						
A. Hydro Data Analysis	\$0	\$0	\$50	\$42	\$70	\$30
B. Conservation/Renewables	12	45	45	45	88	45
C. System Analysis	90	45	45	45	45	45
D. Demand Forecasting	<u>46</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>
TOTAL	<u>\$148</u>	<u>\$150</u>	<u>\$200</u>	<u>\$192</u>	<u>\$263</u>	<u>\$180</u>
II. OTHER OPERATING EXPENSES						
A. Data Subscription Service	\$15	\$38	\$38	\$38	\$38	\$38
B. Staff Development and Training	3	3	3	3	3	3
C. Advisory Committee Meetings Expense	4	1	1	1	1	1
D. Services and Supplies	8	9	9	9	9	9
E. Temp Services	0	0	0	0	0	0
F. Modeling Service	25	25	25	25	25	25
G. Power Plan - Printing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$55</u>	<u>\$76</u>	<u>\$76</u>	<u>\$76</u>	<u>\$76</u>	<u>\$76</u>

F. FISH AND WILDLIFE DIVISION

The Council's continuing role in protecting, mitigating and enhancing fish and wildlife affected by hydropower dams of the Columbia River Basin is reflected in the budget proposed for the Fish and Wildlife Division for 2012-2013. The primary Fish and Wildlife Division activities for Fiscal Years 2012 and 2013 include:

1. **Implementation of the 2009 Fish and Wildlife Program**, including the implementation of subbasin plans adopted by the Council in 2004 and 2005 will continue through 2011. The 2009 revision incorporated several NOAA-Fisheries and U.S. Fish and Wildlife Service Biological Opinions as well as several Columbia Basin Fish Accords executed with certain Indian Tribes and states. The entire suite of Accords, Biological Opinions, subbasin plans, mainstem elements are contained within the 2009 Fish and Wildlife Program is intended to be implemented in an integrated, consistent manner throughout the Columbia River watershed.
2. **Conduct independent scientific and staff reviews** by category and geographical location of all projects funded by Bonneville through the Fish and Wildlife Program.
3. **Plan, prepare, and develop tools to support the upcoming Fish and Wildlife Program amendment process.** The next amendment process will begin in earnest in early 2013. Substantive changes have occurred since the last amendment in partner organizations, regional agreements and digital information collection, management and sharing tools. Staff worked with regional partners and

Bonneville staff to move to a completely web-enabled process to gather recommendations, involve and incorporate the independent science board and panel suggestions, seek involvement from co-managers and others, resulting in a highly transparent outcome. Prior to the next Program amendment all projects funded through the program will have been fully reviewed both categorically and geographically, and will have Council recommendations.

4. **Implementing the 2009 Fish and Wildlife Program, including subbasin plans.** The Council adopted the current Fish and Wildlife Program in February 2009. The Program establishes an overall framework for the fish and wildlife mitigation effort, organizing the Columbia River Basin into provinces and, within each province, subbasins. The Program establishes a basinwide vision, biological objectives, and strategies. The revised Program incorporates several NOAA-Fisheries and U.S. Fish and Wildlife Service Biological Opinions as well as several Columbia Basin Fish Accords executed with certain Indian Tribes and states. This work will require staff support for coordination with other funding and implementation processes and the continued integration of scientific review, monitoring integration, and implementation assistance (**Contracts \$65,000**).
5. **Begin preparation to update subbasin plans and associated limiting factors, objectives and actions.** This will initially be a staff led process to convert all important subbasin plan related information to an on-line format to

support the activity described in 3, above. A few example subbasins will be brought up to date by staff, who will work in collaboration with co-managers and others.

6. **Work with regional partners, Bonneville and others to evaluate the Program effectiveness and cost effectiveness of all fish tagging projects funded by Bonneville.** The Council will then work with Bonneville and relevant entities to recommend efficiencies and possible cost savings among all fish tagging efforts.
7. **Consider standards for maintaining both integrated and segregated hatchery programs, and standards for the proportion of wild fish returning to spawn that are necessary to maintain the genetic integrity of local populations, based on the recommendations of the Hatchery Scientific Review Group, which were delivered in early 2009.** The Council will consider, among other things, the U.S. v. Oregon Management Plan, the Pacific Salmon Treaty, tribal trust and treaty rights and recovery plans in deciding whether to incorporate HSRG recommendations into the Program.
8. **In consultation with fish and wildlife managers, Bonneville, and other interested parties, the Council will complete follow-up synthesis strategy development work resulting from the research monitoring, evaluation category review in the areas of:** the ocean, estuary, lamprey, white sturgeon and regional habitat monitoring (CHaMP). These synthesis strategies will result collaborative efforts for each topic area involving project sponsors and other critical partners. The result is expected to be a greater

level of information sharing, cooperation and planning of future activities involving all projects of a similar nature within the Columbia River basin.

9. **Monitoring, Evaluation, Research and Reporting** - The Council has involved a wide range of parties in the region to develop a draft Monitoring, Evaluation, Research and Reporting (MERR) strategy. After the MERR is completed, the Council will oversee and periodically adjust guidelines for monitoring and evaluation efforts coordinated through the Program. This involvement will occur with representatives from the Council, Bonneville, federal and state fish and wildlife agencies, Tribes, the Army Corps of Engineers, the Bureau of Reclamation and others as necessary. More specifically:
 - The methods and protocols used in data collection and evaluation must be consistent with guidelines approved by the Council. Periodically, the Council will adopt or update relevant monitoring and evaluation methods and protocols.
 - The Council, in collaboration with the parties listed above, will identify research priorities to resolve critical ecosystem or biological uncertainties and will update its research plan, which identifies major research topics and establishes priorities for research funding.
 - The Council, with the assistance of fish and wildlife managers and others, will adopt and periodically update high-level indicators (HLIs) for the purpose of reporting success and accomplishments to Congress, the region's governors, legislators and citizens of the Northwest. The

first tier of these HLIs have been adopted and an prototype HLI report will released for public comment.

- The Council, with assistance from the parties listed above, will adopt and periodically update a set of reporting metrics and protocols for tracking the accomplishments of individual and multiple projects.
- The Council, with assistance from the parties listed above, will also develop and adopt protocols to monitor status and trends of fish populations and to assess environmental conditions.
- Program implementation must include a systemwide annual report that describes whether projects in the subbasins are achieving Program objectives. The report will describe the Program's focus on priority limiting factors and focal species in priority areas and any adaptations necessary to address these factors. This report also will summarize the status and trends of key species and ecosystem parameters. The Council will work with all interested parties in the basin to refine this annual reporting process and associated monitoring program, including describing the evaluation tasks, and will enlist the independent science panels in this evaluation effort.

10. **Work cooperatively with Bonneville and the federal operating agencies to produce an annual report that will provide an accounting of fish and wildlife expenditures and hydropower operation costs.** The Council will also continue collaboration with all interested parties in the region and will report annually on how well projects

implemented through the Program are being adapted to focus on high-priority limiting factors and focal species in priority areas. The annual report will include a discussion of any data gaps, redundancies, and recommended changes to achieve greater efficiencies.

11. **Identify regional data needs.** Through reports and analyses developed within the Council's Program, a data management and coordination category review and in collaboration with others in the Columbia River Basin, the Council will continue to work to modernize and streamline data management in a way that helps answer priority management questions , is useful for making Program related decisions and supports adaptive management.
12. **Facilitate the review of the performance of the Fish Passage Center (FPC).** The FPC oversight board will conduct an annual review of the performance of the Fish Passage Center and develop a goal-oriented implementation plan to assure regional accountability and compatibility with the regional data management system, as well as Program consistency. The oversight board has worked work with the Center and the ISAB to organize a regular system of independent and timely science review of analytical products. The Oversight Board determined the requirements for peer review of analytical products before dissemination to an audience broader than the manager(s) requesting the analysis.
13. **Oversee, with the assistance of the ISRP, a categorical review process to review projects proposed for funding by Bonneville.** The ISRP reviews proposed projects and

make recommendations to the Council as to whether these proposals are based on sound scientific principles, benefit fish and wildlife, have a clearly defined objective and outcome with provisions for monitoring and evaluation of results, and are consistent with the priorities in the Program. The ISRP also reviews the results of prior-year expenditures. The Council must allow for public review and comment on the ISRP's recommendations. The Council then makes final recommendations to Bonneville on projects to be funded. In doing so, the Council is required to fully consider the ISRP's recommendations, explain in writing its reasons for not accepting ISRP recommendations, consider the impact of ocean conditions on fish and wildlife populations, and determine whether the projects employ cost-effective measures to achieve Program objectives.

- All wildlife category projects have been reviewed.
- Nearly all research, monitoring and evaluation, artificial production and some other system-wide projects have been reviewed.
- Resident fish, data management and coordination project reviews began in the autumn of 2011. Any entity or organization receiving funding for coordination of Program activities developed a work plan detailing the coordination elements, objectives, deliverables, and budget. All resident fish, data management and coordination work will be reviewed as part of the Council's project-review process and as necessary, scientific and administrative review. The Council will recommend

to Bonneville the level and type of resident fish, data management and coordination work required to implement the Program. Some follow on work related to data management systems will likely be required.

- Habitat projects, organized geographically, will be reviewed in 2012 and 2013, and will be inclusive of all previous category review information.

14. **Continue to utilize the Step Review process.** As one element of project review, the Council developed a Step Review process for review of major investments, including new artificial production programs. Step Review allows for review of scientific soundness, possible fish or wildlife benefits, environmental impacts, and design and fiscal considerations at appropriate stages in project development.
15. **Conduct a review of U.S. Army Corps of Engineers capital construction program.** This Council and ISRP review, an addition to the Council's review of projects directly funded by Bonneville, was mandated by Congress in 1997 and made a responsibility of the Council and the Independent Scientific Review Panel. It requires a review of the major U.S. Army Corps of Engineers' capital expenditures in the Columbia River Basin, which collectively have a multi-million dollar annual budget, preparation of Council recommendations, and reports to Congress.
16. **Participate, as available, on the NOAA Fisheries/National Marine Fisheries Service Regional Forum Implementation Team, System Configuration Team, and the in-season Technical Management Team.** These entities advise the

federal operating agencies on dam and reservoir operations during the April-through-August fish migration season to optimize passage conditions for juvenile and adult salmon.

17. **Gather biological and program related objectives.** Work with the fish and wildlife agencies, tribes, and others to complete a process specifically aimed at assessing the value for the Program of quantitative biological objectives at the basinwide level (or at any level above the subbasin and population level) and, if determined to be useful, develop an updated and scientifically rigorous set of such quantitative objectives. Initially this work consisted of staff 'harvesting' more than 9000 objectives in relevant documents and processes, and is now shaping those objectives into a condensed, consistent package for Council and regional consideration and discussion. If useful, the Council may consider adopting all or part of the condensed objectives into the next amended program.
18. **Performance metrics.** Consider metrics that are consistent with the biological opinions and productivity metrics that measure adult fish returns relative to juvenile outmigration (i.e. fish in/fish out). The metrics selected should minimize the risk to wild fish from tagging and handling. The Council will then consider adopting revised quantitative objectives in a future amendment process.
19. **Assess resident fish losses. As they are completed by co-managers, consider** the assessments of resident fish losses resulting from the development and operation of the hydrosystem, when and where there is agreement on the appropriate methodology and prioritization of an

assessment. When available, the Council will consider adopting the loss assessments into the Program.

20. **Emerging issues.** Continued work on specific measures to deal with emerging issues such as non-native species, predation, ecological interactions, climate change, and toxics that are addressed in the Mainstem Plan and in many of the subbasin plans.
21. **Research Plan.** Develop an updated fish and wildlife research plan in collaboration with the Independent Scientific Advisory Board. The research plan will identify, prioritize and generally guide the scientific research conducted within the Program to respond to priority issues within a meaningful timeframe.
22. **Science and policy Predation workshop.** Sponsor a Predation science and policy workshop, to consider how to address predation of salmon and steelhead within an ecosystem function perspective. The Council sponsored a science and policy conference on the lower Columbia River and Estuary in September 2009.
23. **Dam operations.** Recommend to the federal operating and fish and wildlife agencies, if required, operations that differ from those in the Biological Opinions if the Council concludes the different operations provide the same or greater benefits to listed fish and wildlife than current operations at a lower cost.
24. **Experiments.** If required for decision making, design experiments and ensure that they are implemented. In some cases this may require the Council to work with fish and

wildlife agencies and tribes to establish project teams that can develop and oversee appropriate tests while assuring opportunities for public input.

25. **Implementation coordination.** The Council will pursue opportunities to implement the Program in coordination with other federal, state, tribal, Canadian, and volunteer fish and wildlife restoration programs. The Council also will continue to work with national programs that influence our work in the basin, such as the Clean Water Act, and the Endangered Species Act. A significant step forward is being developed now in collaboration with regional partners through development of strategic plans for each category of work under the program.
26. **Monitor trends that are relevant to the Program.** Coordinate with organizations that track and monitor data on non-native species distribution, predation, the food web, climate change, and human population change at the Northwest regional scale. There are also ongoing efforts to monitor trends in Northwest habitat quality, ocean conditions, and fish and wildlife that the Council will continue to track and participate in as described in the Monitoring, Evaluation, Research, and Reporting section of the Program. Continued coordination with these larger efforts is important, as their products and reports can directly influence our work in the basin and help to guide decision-making.
27. **Federal Energy Regulatory Commission proceedings.** The Council will monitor the Federal Energy Regulatory

Commission licensing and relicensing proceedings and comment or intervene where appropriate.

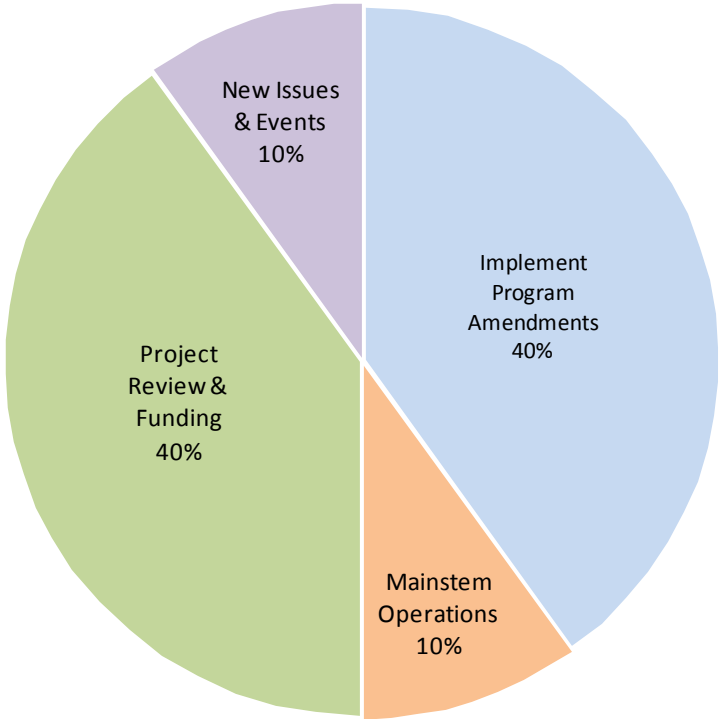
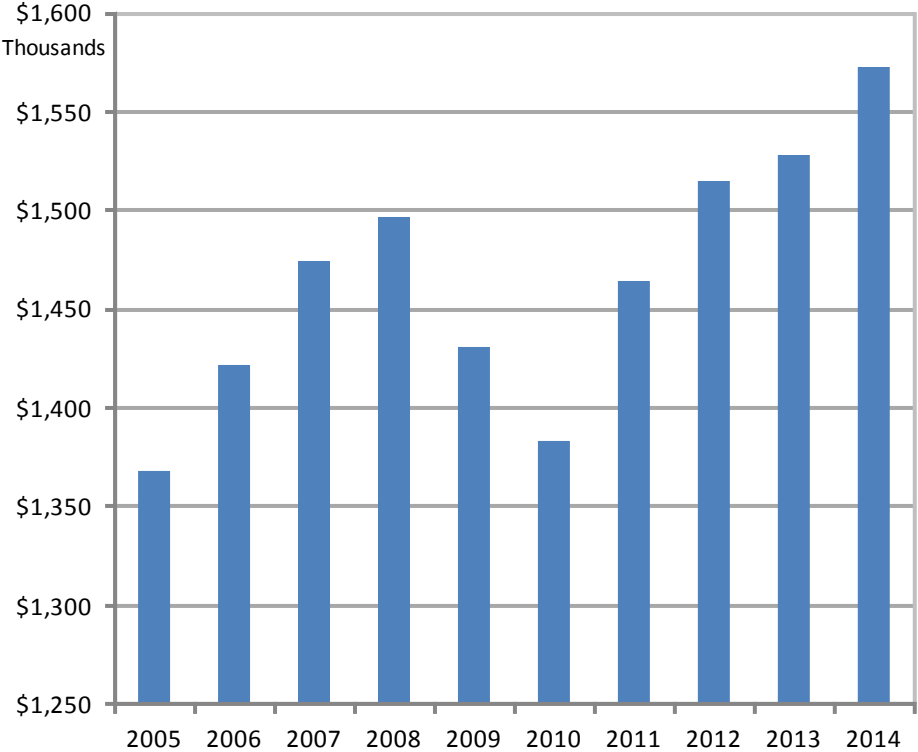
28. **Provide analysis of fish and wildlife impacts resulting from power system operations.** Council staff continue to provide basic analysis of the potential fish and wildlife impacts under various operating scenarios for the Columbia River power system and to provide recommendations for minimizing those impacts. In fiscal years 2010 and 2011 the staff will continue to provide analysis of new operational proposals and to present evaluations of experimental operations to the Council and the region.
29. **Independent Economic Analysis Board (IEAB) (Contracts \$100,000).** The Council established the IEAB to assist in evaluating economic impacts of current and proposed Program measures.

The IEAB is a panel of eight economists whose expertise improves the cost-effectiveness of fish and wildlife recovery policies. The IEAB charter has been expanded by the Council. The panel now also provides economic advice and analysis of other fish, wildlife and energy issues at the Council's request. Staff is assisting with gathering and synthesizing information and coordination between the IEAB and the Council.

STAFFING

The division filled one vacant FTE to respond to increased information management, science review and regional coordination liaison needs.

Budget History (Figure 5)



FY14 Program Allocations
\$1,572,000

Expenditures by Category (Table 6)

(000s omitted)

	FY11 Actual	FY12 Budget	FY12 Estimate	FY13 Budget	FY13 Revised	FY14 Budget
Compensation	\$829	\$905	\$871	\$927	\$894	\$923
Taxes, Insurance & Benefits	356	384	392	393	402	415
SUBTOTAL	\$1,185	\$1,289	\$1,263	\$1,320	\$1,296	\$1,338
TRAVEL						
Staff	\$46	\$53	\$53	\$55	\$55	\$57
Advisory Committees	0	0	0	4	4	4
SUBTOTAL	46	53	53	59	59	61
CONTRACTS						
(See detail Table 7)	174	165	145	165	165	165
OTHER OPERATING EXPENSES						
(See detail Table 7)	39	8	43	8	8	8
SUBTOTAL	<u>\$1,444</u>	<u>\$1,515</u>	<u>\$1,504</u>	<u>\$1,552</u>	<u>\$1,528</u>	<u>\$1,572</u>

Supplemental Expenditures (Table 7)

(000s omitted)

	<u>FY11</u> <u>Actual</u>	<u>FY12</u> <u>Budget</u>	<u>FY12</u> <u>Estimate</u>	<u>FY13</u> <u>Budget</u>	<u>FY13</u> <u>Revised</u>	<u>FY14</u> <u>Budget</u>
I. CONTRACTS						
A. Data Management	0	0	0	0	0	0
B. Program Amendment	32	20	20	20	20	20
C. Monitor Prgrm Implementation	11	15	10	15	15	15
D. Project Review	0	30	0	30	30	30
E. GIS Database	0	0	0	0	0	0
F. IEAB	<u>131</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
TOTAL	<u>\$174</u>	<u>\$165</u>	<u>\$130</u>	<u>\$165</u>	<u>\$165</u>	<u>\$165</u>
II. OTHER OPERATING EXPENSES						
A. Staff Development	\$1	\$4	\$4	\$4	\$4	\$4
B. Computer Equip/Software	0	0	0	0	0	0
C. Temp. Services-Data Dev.	0	0	0	0	0	0
D. Wildlife Coordination	0	0	0	0	0	0
E. Meeting Room Rent/Minutes	2	4	4	4	4	4
F. Meetings/Hearings	0	0	0	0	0	0
G. Temporary Services	35	0	35	0	0	0
H. Other Services & Supply	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$39</u>	<u>\$8</u>	<u>\$43</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>

G. PUBLIC AFFAIRS DIVISION

The Public Affairs Division's primary task is to fulfill the directive of the Northwest Power Act to inform and involve Northwest citizens about the Council's activities. Section 2(3) states a purpose of the Act is "to provide for the participation and consultation of the Pacific Northwest states, local governments, consumers, customers, users of the Columbia River System (including federal and state fish and wildlife agencies and appropriate Indian tribes), and the public at large within the region" in the Northwest's planning for electrical power and protection of fish and wildlife resources. Section 4(g)(1) of the Act requires the Council to develop "comprehensive programs" to ensure public involvement and to "inform the Pacific Northwest public of major regional power issues."

The Division carries out this mandate in two important ways. First, it assists the Council members, state offices, Power Division, and Fish and Wildlife Division in informing and involving the public of Council activities. Second, the Division develops and carries out public information and involvement activities on major issues pertaining to the Council and the Columbia River Basin. Accordingly, the Division is the Council's primary contact with the media and with the public. The Division's publications are sources of information for interest groups and the general public. The Council's website (www.nwcouncil.org) is updated regularly with Council meeting agendas and minutes, all publications released by the Council, as well as a host of other information including subbasin planning materials, fish and wildlife project information, Power Division reports, current

reports by the Independent Scientific Advisory Board, the Independent Economic Analysis Board, the Independent Scientific Review Panel, and the Regional Technical Forum. The public is invited to comment on all reports and issue papers relevant to the Council's decision making process.

The Public Affairs Division carries out the following activities:

1. **Public involvement, outreach, and government relations.** The public affairs staff develops public involvement and communication plans and supports Council members and staff in carrying out public involvement activities. These include drafting and, when needed, delivering speeches; writing, editing, and proofreading; design and graphics; slides and overheads; video production; and handling logistics for meetings, hearings, etc. This function also includes outreach and liaison activities to Congress, federal agencies, state legislatures, other government entities, groups interested in the Council's work, relevant entities in the Canadian portion of the Columbia basin, and the general public.
2. **Printed and electronic publications.** Publication production by the Public Affairs Division is one of the principal ways to increase public awareness and involvement in Council issues. Printed and electronic publications include the *Council Quarterly*, a newsletter about the Council's activities published four times a year; a

monthly electronic newsletter, *Monthly Spotlight*, for the Council's primary constituents, including members of Congress and their staffs; the Council's *Annual Report to Congress*; brief summaries of issue papers, agenda items, and larger publications; and special publications such as issue brochures and reports to governors and legislators. The Division also edits and publishes the *Northwest Power Plan*, *Columbia River Basin Fish and Wildlife Program*, *Annual Report to the Northwest Governors on Expenditures of the Bonneville Power Administration* (pertaining to fish and wildlife), and other major Council documents. The majority of the Division's operating expense budget covers publishing costs (printing, postage, graphics, etc.) for Council documents.

All printed publications and documents, including brochures, newsletters, important letters, memoranda and Council decision documents are posted on the Council's website. The website also contains general information about the Council's history, statutory obligations, bylaws, Council members and staff, conflict of interest rules, the Council's budget, and other information. In addition, users of the Council's website can communicate with the Council via e-mail, Facebook and Twitter.

3. **Media relations.** The Division responds to numerous media requests, briefs editors and reporters on major issues, distributes news releases, and places feature stories about the Council and its work in a variety of publications. Media activities include work with newspapers, general and trade magazines, radio, and television. The Division

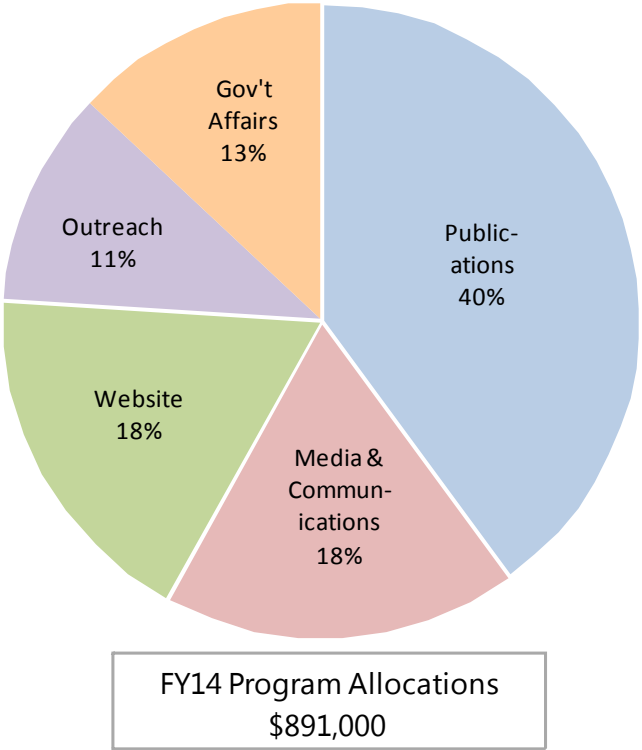
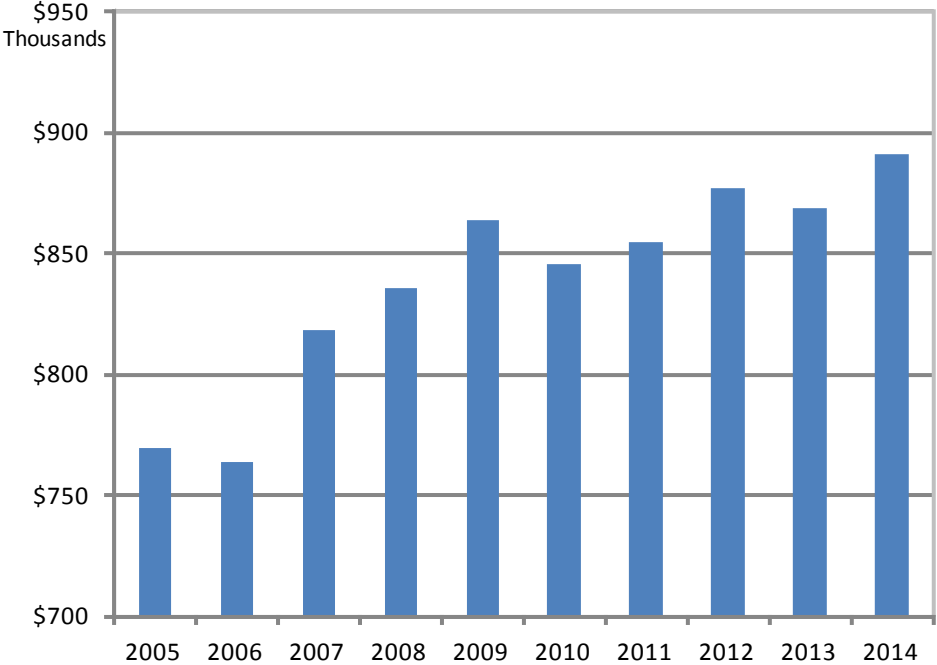
monitors all media to keep the Council informed on the type of coverage it is getting on major issues.

4. **Public meetings.** The Council meets monthly throughout the region. In addition, public hearings, consultations with interested parties and appearances before governmental entities are scheduled on a regular basis to ensure public involvement. Staff support for Council meetings includes writing statements and presentations, preparing audio/visual aids, developing handout materials, preparing media packets, announcing public hearings, making major documents available, and summarizing agenda items and Council actions for the website.
5. **Information services.** The Public Affairs Division answers most general information calls and correspondence from the public. Information requests handled by the Division range from phoned-in questions to preparing complete reports. The Division also provides information to schools, civic organizations, and other interested parties.

STAFFING

Staffing is unchanged.

Budget History (Figure 6)



Expenditures by Category (Table 8)

(000s omitted)

	FY11 Actual	FY12 Budget	FY12 Estimate	FY13 Budget	FY13 Revised	FY14 Budget
Compensation	420	495	470	505	480	494
Taxes, Insurance & Benefits	169	210	212	214	216	222
SUBTOTAL	589	705	682	719	696	716
TRAVEL						
Staff	20	27	27	28	28	30
Advisory Committees	25	20	20	20	20	20
SUBTOTAL	45	47	47	48	48	50
CONTRACTS						
(See detail Table 9)	0	0	0	0	0	0
OTHER OPERATING EXPENSES						
(See detail Table 9)	129	125	122	125	125	125
TOTAL	763	877	851	892	869	891

Supplemental Expenditures (Table 9)

(000s omitted)

	<u>FY11 Actual</u>	<u>FY12 Budget</u>	<u>FY12 Estimate</u>	<u>FY13 Budget</u>	<u>FY13 Revised</u>	<u>FY14 Budget</u>
I. CONTRACTS						
A. Annual Report Printing	\$0	\$0	\$0	\$0	\$0	\$0
B. Public Info/Invol Project	0	0	0	0	0	0
C. Writing/Editing	0	0	0	0	0	0
D. Distribution F & W Film	0	0	0	0	0	0
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
II. OTHER OPERATING EXPENSES						
A. Publications						
1. Illustrations	\$0	\$2	\$2	\$2	\$2	\$2
2. Publish Newsletter	27	28	28	28	28	28
B. Other Printing	21	30	30	30	30	30
C. Photos/Processing	0	0	0	0	0	0
D. Public Meetings	0	0	0	0	0	0
E. Staff Development	1	1	1	1	1	1
F. Postage and Mailing	8	7	9	7	8	8
G. Information Services	22	24	24	24	24	24
H. Subscriptions/Reference	21	20	21	20	20	20
I. Temporary Services	21	5	0	5	4	4
J. Other Services & Supply	8	8	7	8	8	8
K. Public Notice Media Buys	0	0	0	0	0	0
TOTAL	<u>\$129</u>	<u>\$125</u>	<u>\$122</u>	<u>\$125</u>	<u>\$125</u>	<u>\$125</u>

H. LEGAL DIVISION

The Legal Division provides legal advice and representation to the Council and its staff. The Division supports the power planning, fish and wildlife, and administrative divisions in the development of Council plans, programs, policies, rules and procedures, in the negotiation of major agreements, and in the development of contracts involving substantial expenditures or significant legal issues. The Division also develops and assists in administering the Council's conflict-of-interest policies, Freedom of Information Act requests, personnel issues, and other matters.

The Legal Division is an important participant in overseeing the implementation of the Power Plan and Fish and Wildlife Program by Bonneville, the U.S. Army Corps of Engineers, the Bureau of Reclamation, the Federal Energy Regulatory Commission, and other agencies and utilities. The Division will also continue to represent the Council in appeals of its Plan, Program or other actions. The Division also assists in implementation of legal requirements for review of proposed fish and wildlife expenditures and in analyzing issues and options in the implementation of the power plan's resource strategies.

The Legal Division practices preventive law by anticipating legal issues and resolving problems in lieu of litigation, where appropriate.

The Division also participates in conferences and educational programs related to energy and fish and wildlife.

Legal Division activities include the following:

1. **Fish and Wildlife Program implementation.** The Legal Division assists the Council and the Fish and Wildlife Division in every phase of the Council's work to oversee the implementation of the 2009 Fish and Wildlife Program by other entities. This includes assisting the Council through the process of developing recommendations to the Bonneville Power Administration for how to use its fund in a manner consistent with the Council's Program. Under Section 4(h)(10)(D) of the Power Act, added in 1996, the Council conducts extensive reviews of projects proposed for funding with Bonneville fish and wildlife funds, with the assistance of its Independent Scientific Review Panel. In addition to considering independent scientific advice, the Council must make new determinations regarding the cost-effectiveness of measures and the impact of ocean conditions on salmon survival. The Legal Division plays an active role in analysis and in documenting the Council's determinations. The Legal Division also plays an important role in assisting with the integration of the Council's Fish and Wildlife Program to satisfy the requirements of the Northwest Power Act with the plans and programs developed by others to address other adverse effects on fish and wildlife species or to meet other legal requirements, most notably the

federal Endangered Species Act. In addition, the Division works with federal and state agencies, reservoir operating agencies, Indian tribes, and utilities in carrying out Program measures, and represents the Council in regional Columbia salmon litigation and in Federal Energy Regulatory Commission proceedings to the extent appropriate.

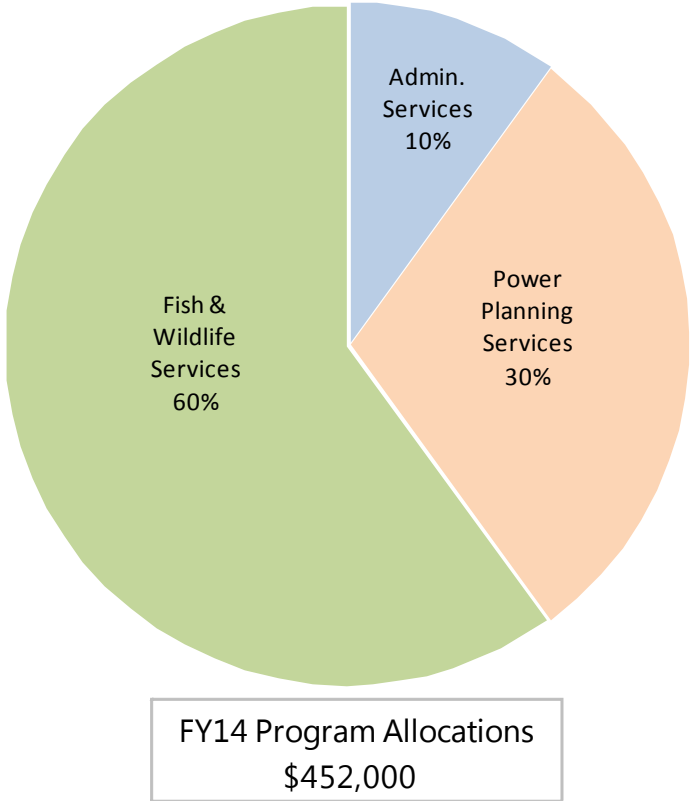
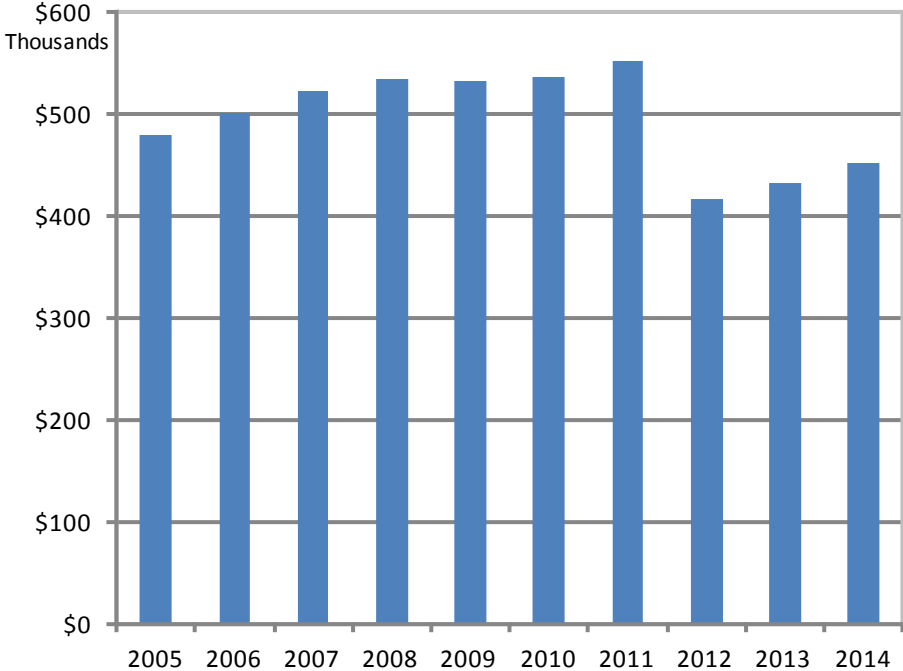
2. **Power Plan implementation.** The Legal Division played a significant role in the Council's development of the Sixth Northwest Conservation and Electric Power Plan during 2009-10. The Legal Division is also representing the Council to resolve one petition filed in the Ninth Circuit Court of Appeals to challenge the Power Plan decision. The Legal Division also assists the Council and the Power Division by identifying and addressing legal issues associated with the implementation of the Sixth Power Plan and with other issues concerning the electric power industry and regulation, including Bonneville's evolving role in regional resource development.
3. **Administrative law.** The Legal Division will continue to assist the Council and the Executive Director and the Administrative Division in the development and implementation of administrative rules and procedures of the Council. This includes continuing assistance in contracting, personnel matters, FOIA requests and other disclosure of information, the use of advisory committees, the application of open meeting rules, financial reporting and disclosure, conflicts of interest, and similar matters. The Legal Division advises the

Council on the interpretation and revision of its bylaws and other rules and procedures. The Legal Division also participates in the preparation of all staff analysis and recommendations to the Council to ensure consistency with the requirements of the Northwest Power Act and the laws governing administrative agencies. The Council has included in the budget of the Legal Division an amount for outside legal counsel to provide expertise and counsel in areas of the law relevant to the Council's administrative needs but not within the expertise of the Legal Division. These include areas such as personnel and labor law.

4. **Litigation.** The Division monitors and participates in litigation of the Council, with the assistance of outside counsel if needed. The Division does not foresee the need to employ outside counsel during Fiscal years 2012 and 2013, although participation in litigation requiring the help of outside counsel is hard to predict. To address potential needs, the Council has an agreement with the Bonneville Power Administration that litigation costs will be met by using any available uncommitted contract funds, unused funds from other budget categories and/or by submitting a supplemental budget request to Bonneville. In the past, litigation costs have been met in part by reallocating uncommitted contract funds. The Legal Division also devotes an increasing amount of time to monitoring ongoing litigation that affects the Council's interests and advising the Council on those implications. This especially includes litigation over the federal agencies'

efforts to comply with the Endangered Species Act, a legal conflict not expected to conclude anytime soon.

Budget History (Figure 7)



Expenditures by Category (Table 10)

(000s omitted)

	FY11 Actual	FY12 Budget	FY12 Estimate	FY13 Budget	FY13 Revised	FY14 Budget
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Compensation	\$251	\$256	\$250	\$264	\$259	\$270
Taxes, Insurance & Benefits	<u>109</u>	<u>108</u>	<u>113</u>	<u>112</u>	<u>117</u>	<u>122</u>
 SUBTOTAL	 \$360	 \$364	 \$363	 \$376	 \$376	 \$392
 TRAVEL						
Staff	<u>\$13</u>	<u>\$19</u>	<u>\$19</u>	<u>\$21</u>	<u>\$21</u>	<u>\$24</u>
 SUBTOTAL	 \$13	 \$19	 \$19	 \$21	 \$21	 \$24
 CONTRACTS						
(See detail Table 11)	1	8	8	8	8	8
 OTHER OPERATING EXPENSES						
(See detail Table 11)	<u>10</u>	<u>25</u>	<u>13</u>	<u>28</u>	<u>28</u>	<u>28</u>
 TOTAL	 <u>\$384</u>	 <u>\$416</u>	 <u>\$403</u>	 <u>\$433</u>	 <u>\$433</u>	 <u>\$452</u>

Supplemental Expenditures (Table 11)

(000s omitted)

	<u>FY11 Actual</u>	<u>FY12 Budget</u>	<u>FY12 Estimate</u>	<u>FY13 Budget</u>	<u>FY13 Revised</u>	<u>FY14 Budget</u>
I. CONTRACTS						
A. Hearings	\$0	\$5	\$5	\$5	\$5	\$5
B. Outside Legal Counsel	1	3	3	3	3	3
C. Litigation Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$1</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>
II. OTHER OPERATING EXPENSES						
A. Continuing Education	\$2	\$2	\$2	\$2	\$2	\$2
B. Reference Materials	6	6	6	6	6	6
C. Federal Register Notices	0	0	0	0	0	0
D. Other Services & Supply	<u>2</u>	<u>17</u>	<u>5</u>	<u>20</u>	<u>20</u>	<u>20</u>
	<u>\$10</u>	<u>\$25</u>	<u>\$13</u>	<u>\$28</u>	<u>\$28</u>	<u>\$28</u>

I. ADMINISTRATIVE DIVISION

The Administrative Division provides executive direction for all Council staff operations. In addition, financial, administrative, and human resources services are provided to the Legal Division, Power Planning Division, Fish and Wildlife Division, and the Public Affairs Division.

OFFICE OF THE EXECUTIVE DIRECTOR

Staff work for all Council activities is directed from this office. In addition, the coordination of Council activities with regional energy and fish and wildlife entities, as well as with congressional delegations and regional organizations, is undertaken.

FINANCE AND ADMINISTRATION

1. **Financial management.** Activities in this area include the operation of monthly accounts payable, payroll, Bonneville funding awards and general ledger accounting systems. Budget development (Section 4(c)(4) of the Power Act) and administration, as well as arranging for annual audits (Section 4(c)(10)) of the Council's financial records, are part of this function.
2. **Contract administration.** This responsibility (Section 4(a)(4)) includes establishing contract administrative records, reviewing and approving contractor invoices, and monitoring contractor costs in relation to work accomplished. Other responsibilities include amendments to contracts, review for conflict of interest and arbitration of contractor performance issues.
3. **Information system support.** The Council has strengthened its overall system analysis capability through the use of more advanced computerized modeling methods and database management techniques. The Council also has improved productivity with computerized business systems, Internet access, website development and desktop publishing. Related costs include two full-time staff who assist all divisions, provide state office computer support, oversee equipment maintenance agreements software leases, installation of data-storage devices, computer systems, and various computer supplies. Projected computer support requirements are studied for each division's anticipated workloads over three to five-year periods. See Appendix B for additional detail regarding the information systems budget.
4. **Human resource services.** This function includes responsibility for the administration of employee insurance and benefit programs, grievance procedures, Equal Employment Opportunity practices, and staff development policies. Development of salary administration procedures, employee performance appraisal policies, and the Council compensation plan (Section 4(b)(3)) also are included.
5. **Administrative support.** The Administrative Division provides support for Council meetings and hearings, including scheduling, room arrangements, recording, and

transcription requirements. Contract funds (\$25,000) are allocated for preparing minutes of meetings. The Division also prepares the *Directory of Organizations*, a comprehensive listing of the organizations and agencies that are involved with the Council's work.

Mail and copying services, maintenance of the Council's mailing lists, and office reception activities also are provided by the administrative staff.

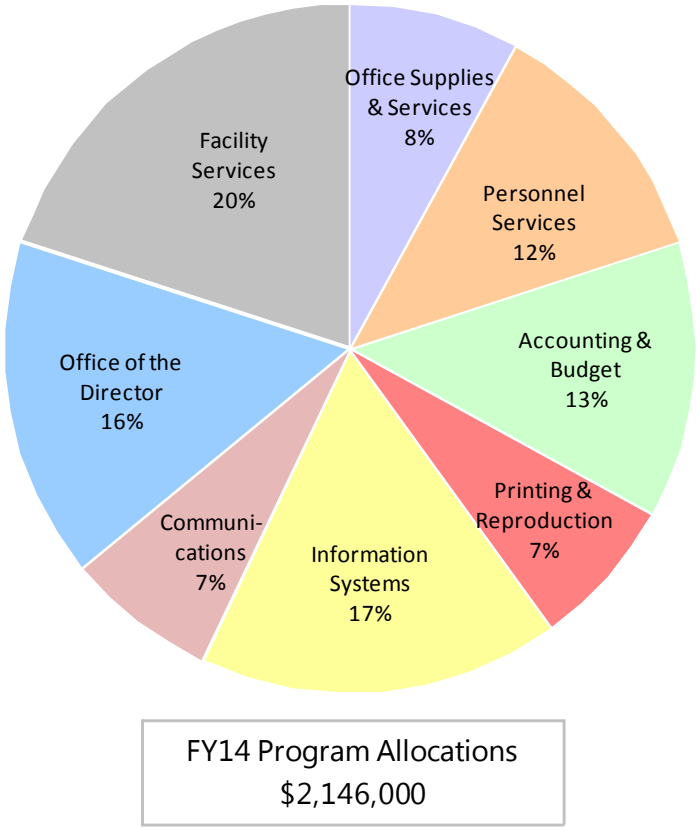
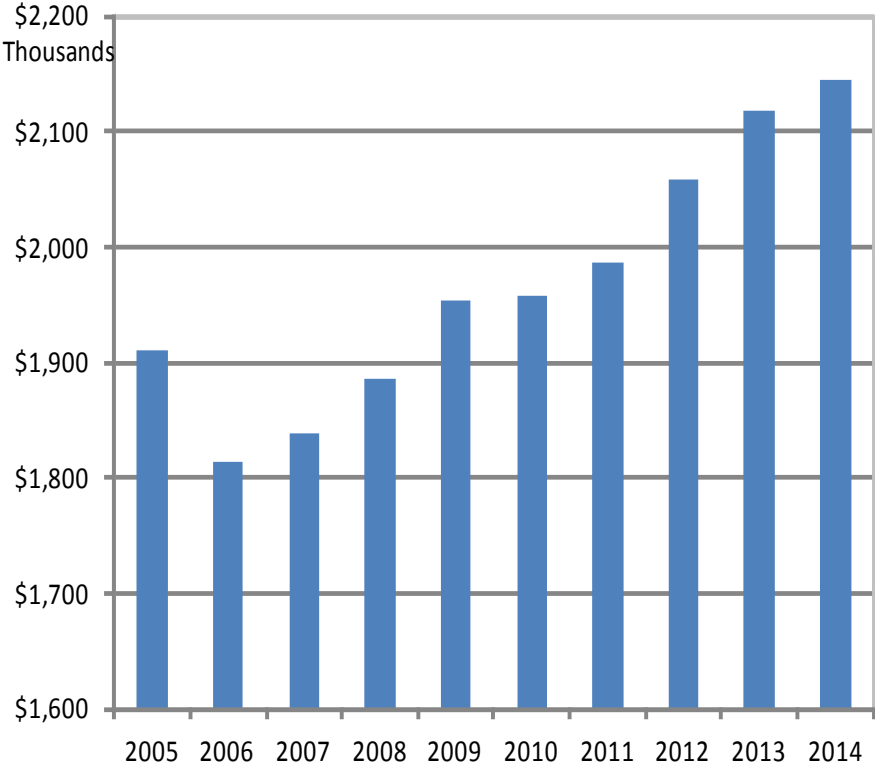
Contract funds (\$5,000) are used for administrative audits and studies, office systems analysis, retirement/pension plan matters, compensation/benefits planning, management audits, and information systems support.

The Administrative Division also is accountable for planning office space, communication systems, office equipment systems such as mailing, copying, and computer systems, and administrative records.

STAFFING

Staffing levels remain the same in Fiscal Year 2013 and 2014.

Budget History (Figure 8)



Expenditures by Category (Table 12)

(000s omitted)

	FY11 Actual	FY12 Budget	FY12 Estimate	FY13 Budget	FY13 Revised	FY14 Budget
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Compensation	\$738	\$800	\$780	\$829	\$807	\$839
Taxes, Insurance & Benefits	<u>423</u>	<u>352</u>	<u>351</u>	<u>364</u>	<u>363</u>	<u>378</u>
 SUBTOTAL	 \$1,161	 \$1,152	 \$1,131	 \$1,193	 \$1,170	 \$1,217
 TRAVEL						
Staff - Admin	\$14	\$20	\$20	\$24	\$24	\$26
Staff - Data Processing	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
 SUBTOTAL	 \$18	 \$23	 \$23	 \$27	 \$27	 \$29
 CONTRACTS						
(See detail Table 13)	20	30	50	30	55	30
 OTHER OPERATING EXPENSES						
(See detail Table 13)	<u>792</u>	<u>854</u>	<u>905</u>	<u>870</u>	<u>867</u>	<u>870</u>
 TOTAL	 <u><u>\$1,991</u></u>	 <u><u>\$2,059</u></u>	 <u><u>\$2,109</u></u>	 <u><u>\$2,120</u></u>	 <u><u>\$2,119</u></u>	 <u><u>\$2,146</u></u>

Supplemental Expenditure (Table 13)

(000s omitted)

	FY11 <u>Actual</u>	FY12 <u>Budget</u>	FY12 <u>Estimate</u>	FY13 <u>Budget</u>	FY13 <u>Revised</u>	FY14 <u>Budget</u>
I. CONTRACTS						
A. Meeting Minutes	\$17	\$25	\$25	\$25	\$25	\$25
B. Records Management	0	0	0	0	25	25
C. Outside Legal Services	3	5	25	5	5	5
TOTAL	<u>\$20</u>	<u>\$30</u>	<u>\$50</u>	<u>\$30</u>	<u>\$55</u>	<u>\$55</u>
II. OTHER OPERATING EXPENSES						
A. Employee Recruiting	\$0	\$2	\$50	\$5	\$5	\$5
B. Staff Development	4	5	15	5	5	5
C. Office Supplies	22	23	23	23	23	23
D. Freight	7	8	7	8	8	8
E. Telephone	53	53	40	50	55	55
F. Postage	7	12	9	17	10	11
G. Payroll Processing Services	12	12	10	12	11	12
H. Reference Materials	1	1	1	1	1	1
I. Meetings	32	55	55	55	55	55
J. Rent	375	369	378	378	378	379
K. Insurance	19	20	19	20	20	20
L. Equipment Rental	30	45	45	45	45	45
M. Repair and Maintenance	25	25	25	25	25	25
N. Accounting Software/Support	3	5	4	5	5	5
O. Audit and Accounting	52	50	52	52	52	52
P. Mailing Services	0	0	0	0	0	0
Q. Furniture and Equipment	15	15	20	15	15	15
R. Record Storage	0	0	0	0	0	0
S. Temporary Services	18	10	8	10	10	10
T. Computer Serv. & Supply	114	140	140	140	140	140
U. Computer Staff Development	3	4	4	4	4	4
TOTAL	<u>\$792</u>	<u>\$854</u>	<u>\$905</u>	<u>\$870</u>	<u>\$867</u>	<u>\$870</u>

STATE COUNCIL OFFICE ORGANIZATION

Idaho, Montana, Oregon, and Washington passed enabling legislation authorizing state participation on the Council. Two Council members are appointed by the governor of each state (Section 4 (a)(2)(B) of the Power Act). Each state Council office is an entity of its respective state government. The central office of the Council provides the budgeting, accounting, payroll and benefits administration for state Council offices. Supplemental budget requests, if required, would be subject to the formal budget amendment process of the Council. The states of Oregon and Washington have Council offices in both the eastern and western portions of their respective states.

Each state individually budgets for those activities necessary to carry out that state's participation and responsibilities under the Act. These funds provide for the Council members' compensation, travel, staff support, and office expenses. Each state has the option to hire staff, to use outside contractors or the technical services of other state agencies to analyze the impact of the Plan and Program on the state, to develop state public information and involvement programs, and for administrative support. State budgets can vary both in the "personal services" category and the "contracts" category, depending upon the type of Council organization in each state. Use of state energy agency and/or fish and wildlife agency staff provides Council members with technical support on state

policies and issues related to the Council's Fish and Wildlife Program and the Power Plan. Council members use their own staff for most technical review activities.

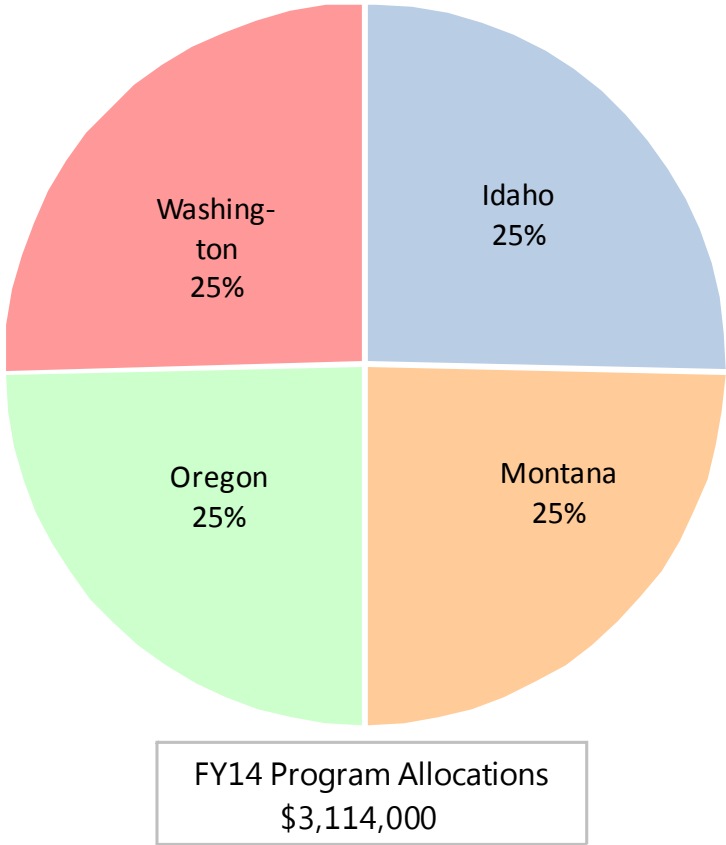
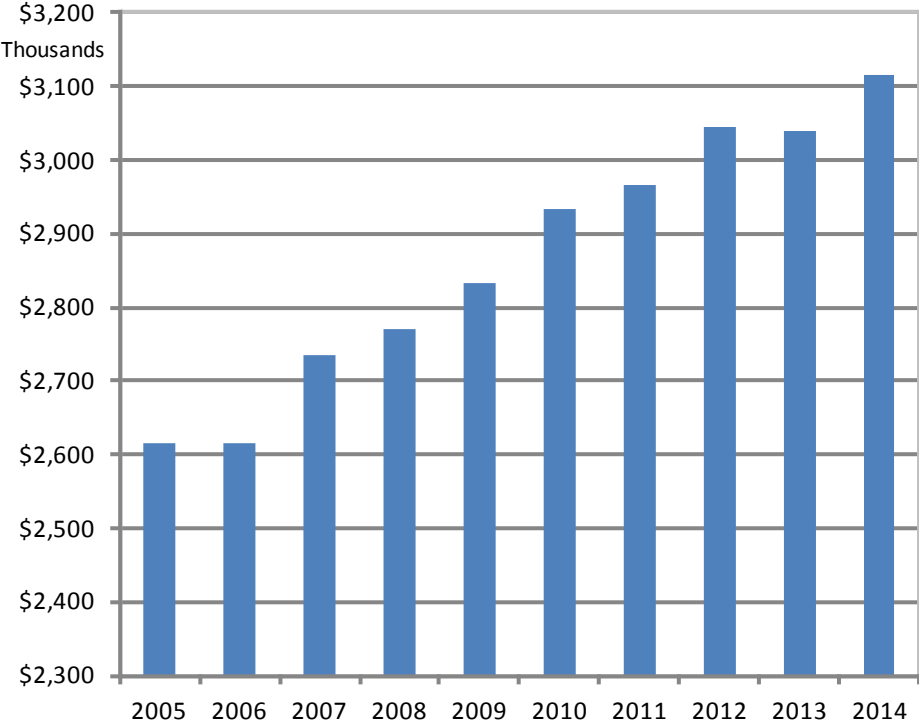
State Council offices carry out the following activities:

1. **Represent state interests.** Council members represent state interests as well as regional interests in all fish and wildlife and energy system matters. This involves establishing and maintaining close working relationships with entities within their states that have a stake in the outcome of the Council's planning efforts. These include, but are not limited to, entities that are operators of hydroelectric projects, public and private utilities, groups concerned with protection of the environment, state fish and wildlife agencies, energy regulatory agencies, and legislative and local government rulemaking bodies.
2. **Technical review.** Council members may require technical assistance and review capability to assess the impacts of regional issues that come before the Council on their state programs, laws, and practices. This technical review is provided by state Council staff and/or other state agency staff. Examples of regional Council issues that can affect each state differently include: implementation of the protected-areas rules in the Fish and Wildlife Program, hatchery and habitat projects, wildlife mitigation projects, and Columbia River operations for salmon recovery.

3. **Public information and involvement.** While the Council's central office is responsible for developing material for the Council's public information and involvement programs, each state implements public involvement activities that are focused on Council issues that have a specific impact in that state. In addition, each state may use local advisory committees and town hall meetings for consultations on certain aspects of the Council's planning. This also can involve preparation of information regarding statewide energy and fish and wildlife issues. State public information and involvement activities are provided by state Council staff or with the assistance of other state agencies.
4. **Administrative support.** Council members and their secretarial/clerical staff are provided office space and office services (telephone, supplies, copier, and computer support) sometimes by a state agency such as the governor's office or energy office. Fiscal services such as payroll, accounts payable, budget, and audit also can be provided, although these are often provided by the Council's central office. Administrative support services are provided either on a direct-charge basis or through an approved indirect overhead rate.

Detailed budgets for each state Council office are shown in Tables 14 through 18.

Budget History (Figure 9)



Fiscal Year 2011
State Budgets (Table 14)
(000s omitted)

	Idaho	Montana	Oregon	Washington	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
PERSONNEL					
Salaries	\$420	\$391	\$438	\$470	\$1,719
Taxes, Insurance & Benefits	<u>197</u>	<u>183</u>	<u>186</u>	<u>200</u>	<u>766</u>
SUBTOTAL	\$617	\$574	\$624	\$670	\$2,485
TRAVEL	79	85	67	70	301
CONTRACTS	30	52	11	15	108
OTHER OPERATING EXPENSES	<u>64</u>	<u>55</u>	<u>64</u>	<u>37</u>	<u>220</u>
TOTAL	<u><u>\$790</u></u>	<u><u>\$766</u></u>	<u><u>\$766</u></u>	<u><u>\$792</u></u>	<u><u>\$3,114</u></u>

Idaho (Table 15)

(000s omitted)

	FY11 <u>Actual</u>	FY12 <u>Budget</u>	FY12 <u>Estimate</u>	FY13 <u>Budget</u>	FY13 <u>Revised</u>	FY14 <u>Budget</u>
Compensation	\$390	\$404	\$396	\$416	\$406	\$420
Taxes, Insurance & Benefits	186	185	190	191	190	197
SUBTOTAL	\$576	\$589	\$586	\$607	\$596	\$617
 TRAVEL	 66	 77	 77	 79	 79	 79
 CONTRACTS	 33	 35	 35	 35	 30	 30
 OTHER OPERATING EXPENSES						
A. Employee Training	2	1	1	1	1	1
B. Office Supplies	4	8	8	8	8	8
C. Telephone	13	14	14	14	14	14
D. Postage	1	1	1	1	1	1
E. Office Rent	28	31	31	32	32	32
F. Dues/Subscriptions	1	1	1	1	1	1
G. Meeting Room Rental	0	1	1	1	1	1
H. Miscellaneous Expense	0	1	1	1	1	1
I. Repair/Maintain Equipment	4	5	5	5	5	5
J. Equipment Rental	0	0	0	0	0	0
SUBTOTAL	\$53	\$63	\$63	\$64	\$64	\$64
 TOTAL	 <u>\$728</u>	 <u>\$764</u>	 <u>\$761</u>	 <u>\$785</u>	 <u>\$769</u>	 <u>\$790</u>

Idaho Council members receive technical and administrative support from three full-time positions. The positions primarily include energy and rates analyses, administrative program management, and secretarial support. Contract services provide for legal counsel and technical assistance when necessary. The Council offices are in Boise and Coeur d'Alene.

Montana (Table 16)

(000s omitted)

	<u>FY11 Actual</u>	<u>FY12 Budget</u>	<u>FY12 Estimate</u>	<u>FY13 Budget</u>	<u>FY13 Revised</u>	<u>FY14 Budget</u>
Compensation	\$311	\$385	\$357	\$397	\$375	\$391
Taxes, Insurance & Benefits	<u>158</u>	<u>185</u>	<u>171</u>	<u>186</u>	<u>176</u>	<u>183</u>
SUBTOTAL	\$469	\$570	\$528	\$583	\$551	\$574
TRAVEL	55	85	80	85	85	85
CONTRACTS	73	40	60	40	60	52
OTHER OPERATING EXPENSES						
A. Employee Training	1	2	2	2	2	2
B. Office Supplies	4	8	8	8	8	8
C. Telephone	6	10	10	10	10	10
D. Postage	3	3	3	3	3	3
E. Office Rent	25	24	27	24	27	28
F. Dues/Subscriptions	1	1	1	1	1	1
G. Meeting Room Rental	0	1	1	1	1	1
H. Miscellaneous Expense	2	1	1	1	1	1
I. Repair/Maintain Equipment	1	1	1	1	1	1
J. Equipment Rental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUBTOTAL	43	51	54	51	54	55
TOTAL	<u>\$640</u>	<u>\$746</u>	<u>\$722</u>	<u>\$759</u>	<u>\$750</u>	<u>\$766</u>

Council members receive administrative and technical support on energy, fish and wildlife, public information and involvement activities from one part-time and two full-time positions. Other specialized services are contracted for and utilized on an as-needed basis. The Council offices are in Helena and Kalispell.

Oregon (Table 17)

(000s omitted)

	<u>FY11 Actual</u>	<u>FY12 Budget</u>	<u>FY12 Estimate</u>	<u>FY13 Budget</u>	<u>FY13 Revised</u>	<u>FY14 Budget</u>
Compensation	\$392	\$421	\$422	\$429	\$426	\$438
Taxes, Insurance & Benefits	<u>137</u>	<u>178</u>	<u>179</u>	<u>182</u>	<u>181</u>	<u>186</u>
SUBTOTAL	\$529	\$599	\$601	\$611	\$607	\$624
TRAVEL	54	65	65	62	67	67
Contracts	1	28	10	29	12	11
OTHER OPERATING EXPENSES						
A. Employee Training	1	1	1	1	1	1
B. Office Supplies	1	2	2	2	2	2
C. Telephone	7	10	10	10	10	10
D. Postage	0	1	1	1	1	1
E. Office Rent	39	32	36	32	36	36
F. Dues/Subscriptions	1	1	1	1	1	1
G. Meeting Room Rental	0	0	0	0	0	0
H. Temporary Staffing Expenses	0	0	12	0	12	12
I. Repair/Maintain Equipment	1	1	1	1	1	1
J. Equipment Rental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUBTOTAL	50	48	64	48	64	64
TOTAL	<u><u>\$634</u></u>	<u><u>\$740</u></u>	<u><u>\$740</u></u>	<u><u>\$750</u></u>	<u><u>\$750</u></u>	<u><u>\$766</u></u>

Oregon Council members are state employees. They receive technical support through services from two full-time positions. One additional full-time position provides administrative/secretarial support to the Council members. Some support services are provided by other state agencies. Council offices are located in Portland and Astoria.

Washington (Table 18)

(000s omitted)

	FY11 <u>Actual</u>	FY12 <u>Budget</u>	FY12 <u>Estimate</u>	FY13 <u>Budget</u>	FY13 <u>Revised</u>	FY14 <u>Budget</u>
Compensation	\$459	\$471	\$396	\$484	\$453	\$470
Taxes, Insurance & Benefits	177	200	168	206	193	200
SUBTOTAL	\$636	\$671	\$564	\$690	\$646	\$670
TRAVEL	58	65	65	65	70	70
CONTRACTS						
A. Contract Services	0	7	7	10	5	0
B. EWU Indirect	11	15	15	15	15	15
SUBTOTAL	11	22	22	25	20	15
OTHER OPERATING EXPENSES						
A. Employee Training	1	1	1	1	1	1
B. Office Supplies	3	5	5	5	5	5
C. Telephone	8	6	8	6	8	9
D. Postage	1	1	1	1	1	1
E. Office Rent	14	20	13	20	15	16
F. Dues/Subscriptions	0	1	1	1	1	1
G. Meeting Room Rental	0	1	0	1	1	1
H. Miscellaneous Expense	0	0	0	0	0	0
I. Repair/Maintain Equipment	0	2	2	2	2	2
J. Equipment Rental	0	0	0	0	0	0
SUBTOTAL	27	38	31	38	35	37
TOTAL	\$732	\$796	\$682	\$818	\$771	\$792

Council members represent individually the eastern and the western sides of the state with one member being paid through Eastern Washington University, Cheney, Washington. Some support services are provided by other state agencies. Three full-time and one half-time positions provide research analysis, energy policy, economics, fish and wildlife analysis, technical and administrative support. Council offices are in Olympia and Spokane.

K. FISCAL YEAR 2013 REVISED BUDGET

The Fiscal Year 2013 revised budget total is reduced from the budget adopted in 2012 by \$72,000.

CENTRAL COUNCIL BUDGET

PERSONAL SERVICES

Personal services for the central staff have decreased by \$93,000 in Fiscal Year 2013 due to anticipated staffing changes.

TRAVEL

The Fiscal Year 2013 travel budget remains the same.

CONTRACTS

The Fiscal Year 2013 contracting budget increases by \$96,000 to reflect increased contracting needs in the power division as they update models to prepare for the next Plan development.

OTHER OPERATING EXPENSES

This category illustrates an overall reduction of \$3,000. The decrease is due primarily to a reduction postage costs.

STATE BUDGETS

The Idaho Office revised budget for Fiscal Year 2013 decreases by \$16,000 to reflect a decrease in staffing and contracting costs.

The Montana Office revised budget for Fiscal Year 2013 decreases by \$9,000 to reflect a decrease in staffing costs and an increase in anticipated contracting expenses.

The Oregon Office revised Fiscal Year 2013 budget remains the same reflecting a decrease in contracting and staffing costs, and an increase in other operating costs.

The Washington Office revised budget for Fiscal Year 2013 decreases by \$47,000 to reflect a decrease in staffing costs.

Table 19 shows in detail the Fiscal Year 2013 budget revisions by expenditure category for each division and the state offices.

Categorical Comparisons (Table 19)

(000s omitted)

	COMPENSATION			TRAVEL			CONTRACTS			OTHER OPERATING			Total Change
	FY13 Budget	FY13 Revision	Change	FY13 Budget	FY13 Revision	Change	FY13 Budget	FY13 Revision	Change	FY13 Budget	FY13 Revision	Change	
<u>Central Office Divisions:</u>													
Power Planning	\$1,896	\$1,873	(\$23)	\$82	\$82	\$0	\$192	\$263	\$71	\$76	\$76	\$0	\$48
Fish and Wildlife	1,320	1,296	(24)	59	59	0	165	165	0	8	8	0	(\$24)
Public Affairs	719	696	(23)	48	48	0	0	0	0	125	125	0	(\$23)
Legal	376	376	(0)	21	21	0	8	8	0	28	28	0	(\$0)
Administration	1,193	1,170	(23)	27	27	0	30	55	25	870	867	(3)	(1)
Subtotal - Central	\$5,504	\$5,411	(\$93)	\$237	\$237	\$0	\$395	\$491	\$96	\$1,107	\$1,104	(\$3)	\$0
<u>State Offices:</u>													
Idaho	\$607	\$596	(\$11)	\$79	\$79	\$0	\$35	\$30	(\$5)	\$64	\$64	\$0	(\$16)
Montana	583	551	(32)	85	85	0	40	60	20	51	54	3	(9)
Oregon	611	607	(4)	62	67	5	29	12	(17)	48	64	16	0
Washington	690	646	(44)	65	70	5	25	20	(5)	38	35	(3)	(47)
Subtotal-State Office	\$2,491	\$2,400	(\$91)	\$291	\$301	\$10	\$129	\$122	(\$7)	\$201	\$217	\$16	(\$72)
TOTAL	\$7,995	\$7,811	(\$184)	\$528	\$538	\$10	\$524	\$613	\$89	\$1,308	\$1,321	\$13	(\$72)

APPENDIX A. FISCAL YEAR 2013 REVISIONS

(000s omitted)

	BUDGET	REVISION	CHANGE
Compensation	\$3,856	\$3,732	(\$124)
Other Payroll Expenses	<u>1,648</u>	<u>1,679</u>	<u>31</u>
Total Compensation/Payroll	\$5,504	\$5,411	(\$93)
Travel	237	237	0
Contracts	395	491	96
Other Operating Expenses	<u>1,107</u>	<u>1,104</u>	<u>(3)</u>
Total Travel/Contract/Other	\$1,739	\$1,832	\$93
Idaho	\$785	\$769	(\$16)
Montana	759	\$750	(9)
Oregon	750	\$750	0
Washington	<u>818</u>	<u>\$771</u>	<u>(47)</u>
Total States	<u>3,112</u>	<u>3,040</u>	<u>(72)</u>
TOTAL	<u><u>\$10,355</u></u>	<u><u>10,283</u></u>	<u><u>(\$72)</u></u>

APPENDIX B. INFORMATION SYSTEMS

The Council began to develop its information systems capability in 1982 with the installation of the comprehensive computer models necessary to draft the first Power Plan. Since then, the Council has continued to invest in computing equipment and software programs to support power system and fish and wildlife computer models and databases, as well as the Council's growing reliance on computers for business operations and on desktop publishing, networking, and the Internet for public information and involvement activities.

The Council has integrated computers extensively into its planning activities and support services. Computers give the Council the planning capability it needs to carry out its functions and responsibilities with minimum staffing levels and limited outside contracting, as well as the communications power to interact with interested individuals, agencies, and entities around the world. Power Division staff use the Council's networking capabilities to develop, monitor, and support complex computer models and extensive databases for system analysis, decision analysis, and statistical analysis. Fish and wildlife staff coordinate with related agencies, monitor recovery programs, real-time river information, and Bonneville spending, and run fish-production and fish-passage models as well as river-reach and system-production planning databases. The Council also has developed computer networking capability with links to Bonneville, certain agencies and tribes, utility organizations, state Council offices, and the Internet.

MAJOR APPLICATIONS

Examples of major information systems include:

- Fish-recovery projects monitoring process
- Council website, electronic mail service and ftp document access
- System Analysis Model and its descendents
- GENESYS resource analysis model - to evaluate system reliability.
- OLIVIA economic portfolio risk analysis
- Data bases - conservation measures, river reaches, hydropower system, administrative records, and mailing lists.

EQUIPMENT

The Council uses a network of personal computers and a cluster of Windows servers and data storage devices to support Council programs. Several laser and color printers support the Council's publication activities. These systems communicate through a network that also connects, via the Internet, to the outside world.

The state offices also use networked personal computers for both administrative and technical support to their Council members and

staff. All the state offices have access to the Internet for electronic mail and data exchange with each other and with other state agencies.

Council staff continue to be mobilized throughout the region by use of mobile technologies such as wireless networking, remote e-mail and file access, cell phones, and smartphones.

SOFTWARE

The Council staff uses computers in nearly all aspects of daily work. To maintain and improve the value of staff involvement in regional planning and evaluation efforts, data processing staff plan regular updates to operating system and application software to ensure compatibility with other regional entities.

Over the past several years, staff members have exchanged single-focus, server-based applications for more powerful, Windows-oriented, multitasking hardware and software packages that improve staff productivity and enhance the quality of Council products. In recent years, these improvements have extended to the World Wide Web, which the Council uses extensively to make data, models, and issue papers available to anyone with Internet access. Even with these upgrades, staff still retains the ability to use existing data bases and models on which the planning function still relies.

COMPUTER SYSTEMS PLANNING

The Council staff identifies long-range data systems support requirements based on three-year data processing plans. Recent data processing plans included oversight of a major facilities upgrade to Council mailroom and public meeting space, upgraded website

servers, and complete migration to Windows 7. Recent upgrades to computer room power and distribution are the first steps toward virtualization of the Councils servers towards greater energy efficiencies, reliability, and availability while reducing cost of ownership and administration. The current data processing plan focuses on stabilizing the integration of and training in these new technologies then looking forward to determine the next direction in upcoming and new technologies to best leverage existing systems and infrastructure to meet the Council's future needs.

All costs associated with information systems are aggregated in the following tables. The budgets for Fiscal Year 2013 revised and Fiscal Year 2014 reflect current-level staff services with some adjustment for contracted software/hardware support. Any costs associated with the replacement of current hardware/software systems will be accomplished within existing computer funding levels and/or by Council authorization for reprogramming of unexpended funds in other budget categories.

Expenditures by Category (Table B-1)

(000s omitted)

	FY12 Estimate	FY13 Revised	FY14 Budget
Compensation	<u>\$157</u>	<u>\$162</u>	<u>\$167</u>
Taxes, Insurance & Benefits	<u>63</u>	<u>65</u>	<u>67</u>
 SUBTOTAL	 \$220	 \$227	 \$234
 TRAVEL			
Regional	4	3	3
Out-of-Region	<u>0</u>	<u>0</u>	<u>0</u>
 SUBTOTAL	 \$4	 \$3	 \$3
 CONTRACTS (See detail Table B-2)	 0	 0	 0
 OTHER OPERATING EXPENSES (See detail Table B-2)	 <u>140</u>	 <u>140</u>	 <u>140</u>
 TOTAL	 <u><u>\$364</u></u>	 <u><u>\$370</u></u>	 <u><u>\$377</u></u>

Supplemental Expenditures (Table B-2)

(000s omitted)

	<u>FY12 Estimate</u>	<u>FY13 Revised</u>	<u>FY14 Budget</u>
I. CONTRACTS			
A. Hardware/Software Support	<u>0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
II. OTHER OPERATING EXPENSES			
A. Equipment Maintenance Agreements	\$15	\$17	\$18
B. Staff Development	4	4	4
C. Space	5	5	5
D. Supplies	23	25	28
E. Communications	15	15	17
F. Capital Investments:			
1. Hardware	54	60	50
2. Software	24	14	18
3. Site	0	0	0
G. Temporary Technical Support	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$140</u></u>	<u><u>\$140</u></u>	<u><u>\$140</u></u>

I. THE NORTHWEST POWER ACT

Section 4(c)(10)(A) of the Northwest Power Act directs the administrator of the Bonneville Power Administration to pay the expenses the Council determines are necessary or appropriate for the performance of its functions and responsibilities, including reimbursement to those states with members on the Council. This section also establishes a funding limitation equal to 0.02 mills multiplied by the kilowatt-hours of firm power forecast to be sold by Bonneville during the year to be funded. Upon an annual showing by the Council that such limitation will not permit the Council to carry out its functions and responsibilities under the Act, the administrator may raise such limit to any amount not in excess of 0.10 mills. The literal interpretation of the word "showing" requires that the Council provide evidence that: 1) substantiates that annual funding in the amount provided by the 0.02 mills of firm forecast power sales will not be adequate to carry out its functions under the Act; and 2) explains the basis on which additional funding is required. The Council's budget document is intended to provide sufficient information to meet these criteria. The organization of the budget document and the level of detail provided shows how the Council intends to use the funding provided to carry out its major responsibilities under the Act.

In Fiscal Year 2014, based upon Bonneville's forecast of firm power sales (as of 07/14/2011), the 0.02-mill funding level is

\$2,413,283. The 0.10-mill funding limit is \$12,069,640. The funding requirement, as determined by the Council, for Fiscal Year 201 is \$10,359,000, which is equal to 0.086 mills of forecast firm power sales based on the following Council functions and responsibilities.

II. COUNCIL FUNCTIONS/RESPONSIBILITIES

The Council's minimum responsibilities under the Act fall into five general categories:

1. **Northwest Power Plan.** Adopt and periodically amend a regional conservation and electric power plan that includes: energy conservation programs, 20-year forecasts of electric energy demands, 20-year power resource forecasts, cost-effective methods for providing regional reliability and reserves, and methods for determining quantifiable environmental costs and benefits (Sections 4(d) and 4(e) of the Act).
2. **Columbia River Basin Fish and Wildlife Program.** Develop, adopt, and periodically amend the Program to protect, mitigate, and enhance fish and wildlife affected by development and operation of hydroelectric projects in the Columbia River Basin. Report annually to Congress on the effectiveness of the Program and the extent to which the Program is being implemented, and assist development of Program amendments (Sections 4(h), 4(g) and 4(i)).

3. **Public information and public involvement.** Provide for the participation of the Pacific Northwest states, local governments, consumers, customers, users of the Columbia River system (including federal and state fish and wildlife agencies and appropriate Indian tribes), and the public at large in planning for the Northwest's electric power and protection of Columbia River Basin fish and wildlife affected by hydropower. Develop and maintain comprehensive programs to inform the public of major regional power and fish and wildlife issues (Sections 2(3) and 4(g)).
4. **Other responsibilities.** In addition to the above responsibilities, the Council is directed to establish voluntary advisory committees it determines are necessary to assist in the development, collection, and evaluation of statistical, biological, economical, social, and environmental information relevant to the Council's development and amendment of a regional conservation and electric Power Plan and Fish and Wildlife Program (Section 4(c)(11) and (12)).
5. The Council is required to conduct **public meetings** throughout the region as part of its process for developing and amending the regional Power Plan and Fish and Wildlife Program (Section 4(d)(1)).
6. **Organization requirements.** In addition to the Council determining its funding requirements, the Act also provides that the Council shall determine its organization and prescribe its practices and procedures for carrying out

its functions and responsibilities under the Act (Section 4(c)(4)). As part of its budget-development process, the Council publishes for public review and comment its organization chart, practices, procedures, and funding requirements associated with the above responsibilities. The Council also distributes for public review and comment its annual work plans for power planning and Fish and Wildlife Program activities. Following public comment, an annual report describing the Council's activities is published and forwarded to Congress.

III. STATES' PARTICIPATION

The first component of the Council's budget is the funding necessary to support each state's participation as provided by the Act. This portion of the Council's budget covers the funding for the Council members' operation of their state offices, local public involvement efforts, and technical support necessary to provide a suitable state review capability of those energy and fish and wildlife issues having a particular impact on the respective states. Oregon and Washington require that the Council offices be established in both the eastern and western portions of the states.

The states' portion of the budget for Fiscal Year 2014 is \$3,114,000, equivalent to 0.026 mills in firm power sales. The line item expenditure projections and a description of state Council activities are contained in Section J of this budget document.

IV. CENTRAL COUNCIL – POWER DIVISION

The regional electric power and conservation planning responsibilities established by the Act are carried out by a centralized technical staff. The Power Division analyzes changing conditions and monitors implementation of the Power Plan. Outside contracting occurs to a limited extent to augment research done by other entities or to provide technical capability that the Council does not possess. The Council conducts independent regional analysis by using computer modeling and analytical methods with data collected by outside sources (advisory committees are utilized to the extent appropriate).

The power planning portion of the Council's Fiscal Year 2014 budget is \$2,184,000, equivalent to 0.018 mills in firm power sales. The line item expenses for power planning and a description of program actions are described in Section E of this budget document.

V. CENTRAL COUNCIL – FISH AND WILDLIFE DIVISION

The activities necessary for implementing of the Fish and Wildlife Program, reviewing actions of Bonneville and others to determine consistency with the Program, and developing Program amendments are conducted by a central staff of fish and wildlife specialists (excluding management and administrative support). The fish and wildlife planning efforts of the staff focus on mainstem passage and flows, system/subbasin production planning, research coordination, new hydropower development and actions by the Federal Energy Regulatory

Commission, wildlife mitigation, resident fish and fish substitutions, and habitat and tributary passage. Monitoring and evaluation of Fish and Wildlife Program effectiveness, as well as facilitating the resolution of barriers to implementation of specific Program measures, are two of the most significant activities of the Fish and Wildlife Division.

The fish and wildlife portion of the Council's budget for Fiscal Year 2014 is \$1,572,000, equivalent to 0.013 mills in firm power sales. The line item expenditure projections and a description of the Fish and Wildlife Division programs are contained in Section F of this budget document.

VI. CENTRAL COUNCIL – PUBLIC AFFAIRS DIVISION

The Council's Public Affairs Division develops and maintains comprehensive programs to inform and involve the public in major regional power and fish and wildlife issues. This includes consultations with Bonneville, Bonneville customers, fish and wildlife agencies, Indian tribes, and others. Public affairs staff also: 1) coordinate contacts with Congress; 2) monitor federal appropriations and budget committee actions to implement the Fish and Wildlife Program and the energy plan; 3) provide information to congressional committees; and 4) coordinate Council testimony before House and Senate committees.

The Council maintains an extensive mailing list (more than 15,000 individuals and organizations) as a major part of its outreach efforts to inform interested parties and to solicit their participation in the Council's regional planning activities.

The principal way in which the Council attempts to reach the public is through its publications. These include a quarterly publication, *Council Quarterly*, an annual report to Congress, an annual report to the Governors on Bonneville spending to implement the Fish and Wildlife Program, summaries of current Council issues, and the Council's public meeting agenda. The Council also reaches the public through the various media, including briefings for editors/reporters, Council meeting press packets, news releases, feature stories in a variety of publications and advertising the availability of the Council's major documents. The Council maintains a website (www.nwcouncil.org) where agendas, summaries of issues and activities, and all major Council publications are available.

The Public Affairs Division portion of the Council budget for Fiscal Year 2014 is \$891,000, equivalent to 0.008 mills in firm power sales. Line item expenditure projections and program descriptions for public affairs are contained in Section G of this budget document.

VII. CENTRAL COUNCIL – LEGAL DIVISION

Legal services are provided by three attorneys who provide administrative support and general legal advice, as well as support for the power planning, fish and wildlife, and public information and involvement programs.

Legal advice and representation, as well as the development of Council rules and procedures, including the negotiation of contracts, are provided by the Legal Division. The division participates in scheduled revisions of the energy plan and the Fish and Wildlife Program by providing legal counsel at public

hearings and consultations with interested parties, assisting and drafting amendments, and maintaining the administrative record of Council actions and rulemakings.

The Legal Division serves a necessary role in helping oversee the implementation of the Power Plan and the Fish and Wildlife Program by Bonneville, the U.S. Army Corps of Engineers, the Bureau of Reclamation, the Federal Energy Regulatory Commission, and other agencies and utilities. Legal representation of the Council in appeals of its Plan, Program, and other actions is provided, although no funding is provided for unanticipated litigation.

Administrative law support is necessary for administrative proceedings and addressing institutional legal questions, as well as ensuring that the Council adheres to the provisions of the Sunshine Act, the Freedom of Information Act, Administrative Procedures Act, government contracting practices, administrative record, and advisory committees.

The legal services portion of the Council's budget for Fiscal Year 2014 is \$452,000, equivalent to 0.004 mills of forecast firm power sales. The Legal Division projection of line item expenditures and a description of specific activities are presented in Section H of this budget document.

VIII. CENTRAL COUNCIL – ADMINISTRATIVE DIVISION

The Administrative Division provides the executive direction for all central Council operations and administrative and financial support for the Council.

The office of the executive director provides the direction for all staff work on Council programs and for program support services. Financial and administrative services are provided, including budget development, audits, contract management, accounting/payroll systems, and personnel administration.

The cost of management services and supplies that are applicable to all divisions are aggregated in the Administrative Division budget. The major expense components are office rent, telephone, office supplies, postage/ mailing, equipment rental, audit fees, insurance, and computer support services.

The Administrative Division portion of the Council's budget for Fiscal Year 2014 is \$1,769,000 equivalent to 0.015 mills of firm power sales. The Administrative Division line item expenditure projection and activity descriptions are contained in Section I of this budget document.

IX. CENTRAL COUNCIL – INFORMATION SYSTEMS

The Council has fostered a high degree of computer integration with its planning activities and support services. Computer systems and software are necessary to give the Council the capability to carry out its functions and responsibilities with minimal staffing levels and limited outside contracting. Complex computer models and extensive data bases are operated and maintained for system analysis, decision analysis, load forecasting, and statistical analysis, as well as for hydropower system, power resource and conservation data bases. Fish and wildlife planning uses fish-production and fish-passage models, as well as river reach and system-production planning databases.

The Administrative Division uses the Council's computer systems for maintaining administrative records requirements, word processing and for all accounting/budget tasks. The Council also has developed a computer communications network capability that allows computer linkage with Bonneville, certain agencies and tribes, utility organizations, state Council offices, and the Internet.

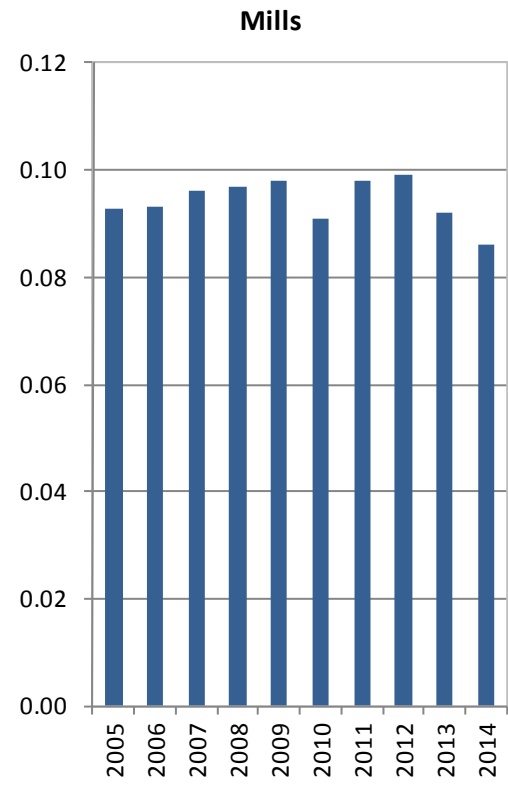
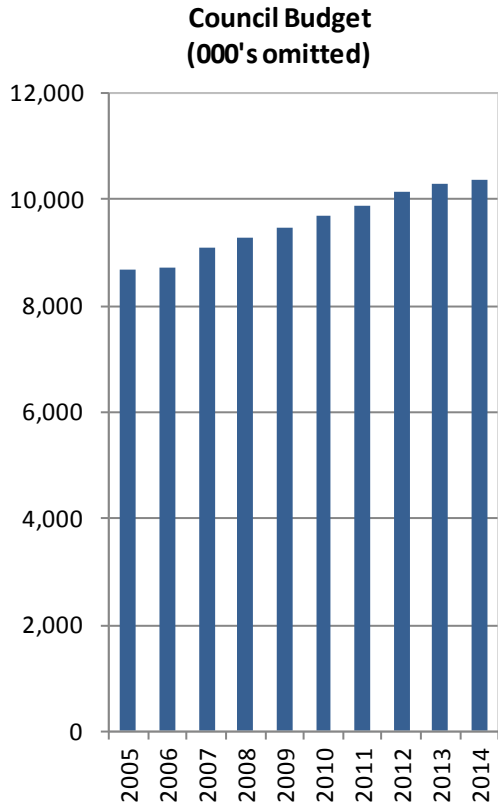
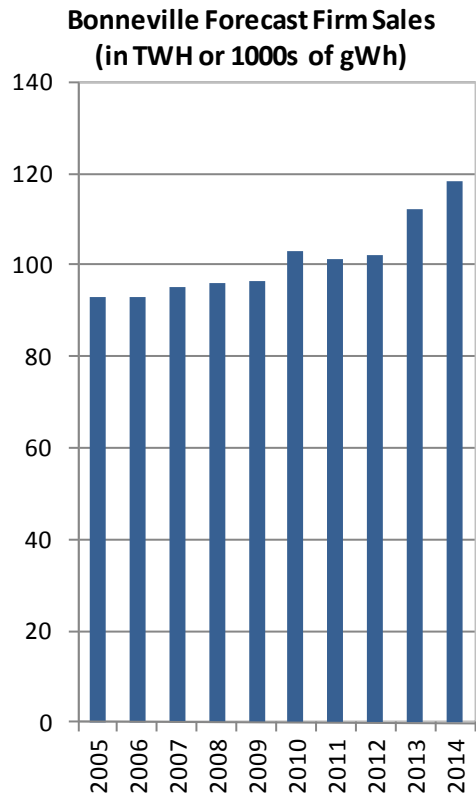
The information services portion of the Council's budget for Fiscal Year 2014 is \$377,000, equivalent to 0.003 mills of forecast firm power sales. These costs are included in the Administrative Division's budget. A more detailed description of the information systems function is contained in Appendix B of this budget document.

X. SUMMARY

Based on this showing and the supporting detailed information contained in this budget document, the Council has determined that the 0.02 mill limitation will not allow the Council to carry out its functions and responsibilities under the Act and that the following budget expenditures proposed for Fiscal Year 2012 are necessary and appropriate.

	FY 2012	
States participation	\$3,114,000	0.026 mills
Central Council:		
Power Planning	2,184,000	0.018 mills
Fish and Wildlife	1,572,000	0.013 mills
Public Affairs	891,000	0.007 mills
Legal	452,000	0.004 mills
Administrative	<u>2,146,000</u>	<u>0.018 mills</u>
TOTAL	<u>\$10,359,000</u>	<u>0.086 mills</u>

Budget History (Figure 10)



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