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July 5, 2018

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Staff

SUBJECT: Discussion on policy issues emerging from Bonneville budget adjustments

Presenter: Tony Grover

Summary: Below are potential reductions that have been made known to staff as currently under discussion by Bonneville Power Administration (Bonneville). The list describes these funding reductions with a short staff assessment of the potential policy issues or effects of the funding reductions. Bonneville will report to the Council as reductions are confirmed, with an initial set of reductions being reported as soon as August. It is likely that additional policy issues will arise once a full understanding of the reductions and rationale for these reductions are known

So far, the following reductions are understood to be under discussion:

- Reductions in funding for technical assistance functions of some umbrella projects, and estuary habitat work. **Potential policy issue:** Need to verify if these reductions will inhibit development and implementation of program habitat work including in the estuary.

- Reduce Water Transaction Program funds by \$1 million. **Potential policy issue:** Need to understand reductions being discussed and where and how these would be implemented. From the Council's perspective, it is important that funds are not focused solely on BiOp purposes, that criteria continue to be applied consistently across the basin, and administrative changes in the water transaction program at the contractor or qualified local entities (QLE) level do not impede transactions.
- Reduce StreamNet funding by at least \$54,000 and reduce funding to other data management efforts. **Potential policy issue:** Need to verify impacts on data flow and, in some cases where partner funding is already at a minimal level, that these reductions do not result in partners being unable to contribute data for priority salmon and steelhead populations, such as natural origin spawner abundance (NOSA) data.
- Elimination of Select Area Fisheries Enhancement (SAFE) funding over 3 years. **Potential effect:** Reduces fish provided by the program for harvest augmentation, and could increase adverse impacts on ESA-listed fish.
- Reduce Lower Snake River Comp funding by several million dollars. **Potential effect:** Minimal effects as budgeted funds exceeded expenditures for several years.
- Eliminate most funding for the CHaMP and ISEMP projects. **Potential effect:** Impacts existing Program-funded research, monitoring, and evaluation efforts.
- Budget adjustments with the Kootenai Tribe of Idaho. **Potential effect:** Little to no anticipated negative effect to the benefits to fish associated with this work.

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

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

Background: Bonneville's January [2018 Strategic Plan](#) sets an objective to "*Hold the sum of program costs, by business line, at or below the rate of inflation through 2028.*" This objective is further elaborated in the Strategic Plan: "*In addition, because fish and wildlife costs make up a significant portion of power costs, this strategic goal includes taking a more disciplined approach to managing the total cost of our Fish and Wildlife*

Program.” And more specifically: “To make the most of available funds, investments in fish and wildlife protection, mitigation and enhancement will be prioritized based on biological and cost-effectiveness and their connection to mitigating for impacts of the FCRPS.”

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

More Info:

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