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DRAFT

January 4, 2008

Mr. Greg Delwiche
Vice President, Environment, Fish and Wildlife
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208

Dear Greg:

In December 2006, the Council asked the Independent Economic Analysis Board (IEAB) to investigate wildlife O&M costs that are paid through the Fish and Wildlife Program. The IEAB reported to the Council in November 2007 (*Investigation of Wildlife O&M Costs*, Council Document [2007-4](#)) and provided a set of recommendations for improving the management of wildlife operation and maintenance projects. After consideration of this report and our experience with wildlife costs, we encourage Bonneville to implement the following two changes immediately.

First, we recommend that Bonneville modify Pisces project reporting to include cost shares from non-BPA sources by work element, and to include the life expectancy for any investments expected to last more than one year to determine annualized costs. Second, we recommend that Bonneville track maintenance actions separately from enhancement actions. We realize that this may require separate contracts, or at least separate work elements, for maintenance and enhancement actions. The Council believes it is important to be able to financially separate these actions that result in additional habitat units from those that do not.

In addition, the Council urges Bonneville and the wildlife managers to consider economies of scale when acquiring and maintaining parcels of land for mitigation. These economies of scale include a potential for lower acquisition costs per acre for large land parcels and also significantly lower per acre maintenance costs.

The IEAB report found that some efficiency savings might be gained through combining project management activities among similarly situated projects, or through shared project resources. Small projects that are similarly located and that have similar management needs might be combined to achieve these economies of scale benefits.

The IEAB also recommended that positive incentive systems should be developed to obtain cost savings. For example, BPA could request proposals and bids for existing and new projects targeted to high-priority habitat. The IEAB report also suggested that there may be opportunities for partnering with entities such as Metro in the Willamette Valley. These opportunities should be fully explored.

Thank you for considering our request that BPA track cost-share and life expectancy of investments and separate maintenance and enhancement actions. We believe that these actions, combined with the efficiencies we suggest above, will improve the financial accountability of the wildlife portion of the program.

Sincerely,

Tom Karier
Chair

Cc: Bill Maslen, BPA
Joe Deherrera, BPA
Brian Lipsomb, CBFWA