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May 28, 2009

MEMORANDUM

TO: Council Members

FROM: Lynn Palensky

SUBJECT: Update on Wildlife Category Review

Immediately following Linda Hardesty's presentation of the Independent Science Review Panel (ISRP) review of the wildlife projects, Council staff will discuss some of the highlights of the wildlife project review and programmatic issues that the Council could expect to see in the staff recommendations. A special Fish and Wildlife Committee meeting is scheduled for June 18th at 9:00 a.m. to hear the staff recommendations for the 36 wildlife projects. We will seek a recommendation from the Committee for the Council to review at the July meeting.

Science Review

The Independent Scientific Review Panel's final report on the 36 project proposals submitted for the 2009 Wildlife Category Review was released May 19th.¹

Programmatic Issues

As part of this categorical review the Council and Bonneville staffs will identify cross-cutting or programmatic issues; some of which are listed below. The recommendations are not likely to be made on a project-by-project basis, but rather by issue area. Alternatives or options for dealing with particular issues may be included as part of the staff's recommendation as well.

1. Crediting forum
 - HEP
 - CHAP
 - O&M and enhancement
 - Monitoring tools and approach
2. Management Plan
 - Grazing
 - Income-generating activities
 - Restoration and long term management

¹ ISRP 2009-7: <http://www.nwcouncil.org/library/isrp/isrp2009-17.htm>
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3. Invasive species control
4. Other potential efficiencies
 - Regional coordination
 - HEP

Process Steps

The decision-making process, as we have defined and discussed it for the last year and a half, will include some programmatic recommendations with regard to budget adjustments. In the staff decision document, the Council is likely to see recommendations on potential budget efficiencies and new funding opportunities.

a. Budget Adjustments

The proposals overall reflect an increase in requested expense funding. However, some projects proposed budgets are at or below their FY09 funding levels, while some reflected Bonneville's 2.5-percent increase, and others proposed funding increases that ranged from 5 to 600 percent. The resulting budget request (after the 2.5-percent increase) is a 23-percent increase in expense funding from FY09 levels.

b. New Funding Opportunities -- New Work Elements (expense)

One of the Council's goals in the categorical review was to identify new or expanded work that could be funded as funding becomes available. Staff has reviewed the proposals at a cursory level to identify "new or expanded" work elements that represent major scope changes (and that carry a long-term O&M commitment) and will present these as potential future work. We found that not all cost increases were easy to identify, while others were clear and specific. When the costs could not be attributed to any one work element or budget item we termed that a *diffuse* increase. Other cost increases were more obvious, such as new land-acquisition proposals, new equipment/buildings, O&M for recent acquisitions, or weed control. For the obvious cost increases that can be indentified, we will consider those for "new funding opportunities" depending on the circumstances of the work.

Capital requests over the next three-year average are over \$23 million per year for new acquisitions. These are all considered "new" or "expansions" at this time. Some of these proposed acquisitions will need to be linked up with the work that the crediting forum will deal with, and some acquisitions are included in current MOA negotiations.

Budget Planning Assumptions

- Total FY09 expense funding for existing wildlife projects is approximately **\$11,145,000**.
- Bonneville will increase FY09 expense funding by at least 2.5 percent, which means an additional \$279,000. This will increase total funding to approximately **\$11.4 million** as a starting point for Bonneville's wildlife budget considerations going in to FY 2010 and beyond.
- The average FY10-12 expense funds requested in the current proposals is **\$14.9 million**
 - Includes at least a 2.5-percent cost increase
 - Includes six ongoing Accord projects that total \$2,938,794
 - Includes new O&M for recently acquired lands