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Vice-Chair  
Montana

**Pat Smith**  
Montana

**Tom Karier**  
Washington

**Phil Rockefeller**  
Washington

February 5, 2013

## MEMORANDUM

**TO:** Council Members

**FROM:** Tony Grover

**SUBJECT: Update on Bonneville's FY 2013 fish and wildlife budget and emerging management tools**

Bill Maslen, and Bryan Mercier, Bonneville Power Administration, will discuss the fish and wildlife expense budget for fiscal year 2013. They will talk about spending to date in the fiscal year and answer any questions from the Council members.

Mr. Maslen and Mr. Mercier will also describe BPA's evolving set of practices and tools that are being developed to manage the fish and wildlife expense budget more closely in the future.

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c:\users\grover\desktop\bpa budget discussion council feb 2013.docx (Tony Grover)

# Fish and Wildlife Program Spending Update

Bill Maslen & Bryan Mercier  
February 12, 2013

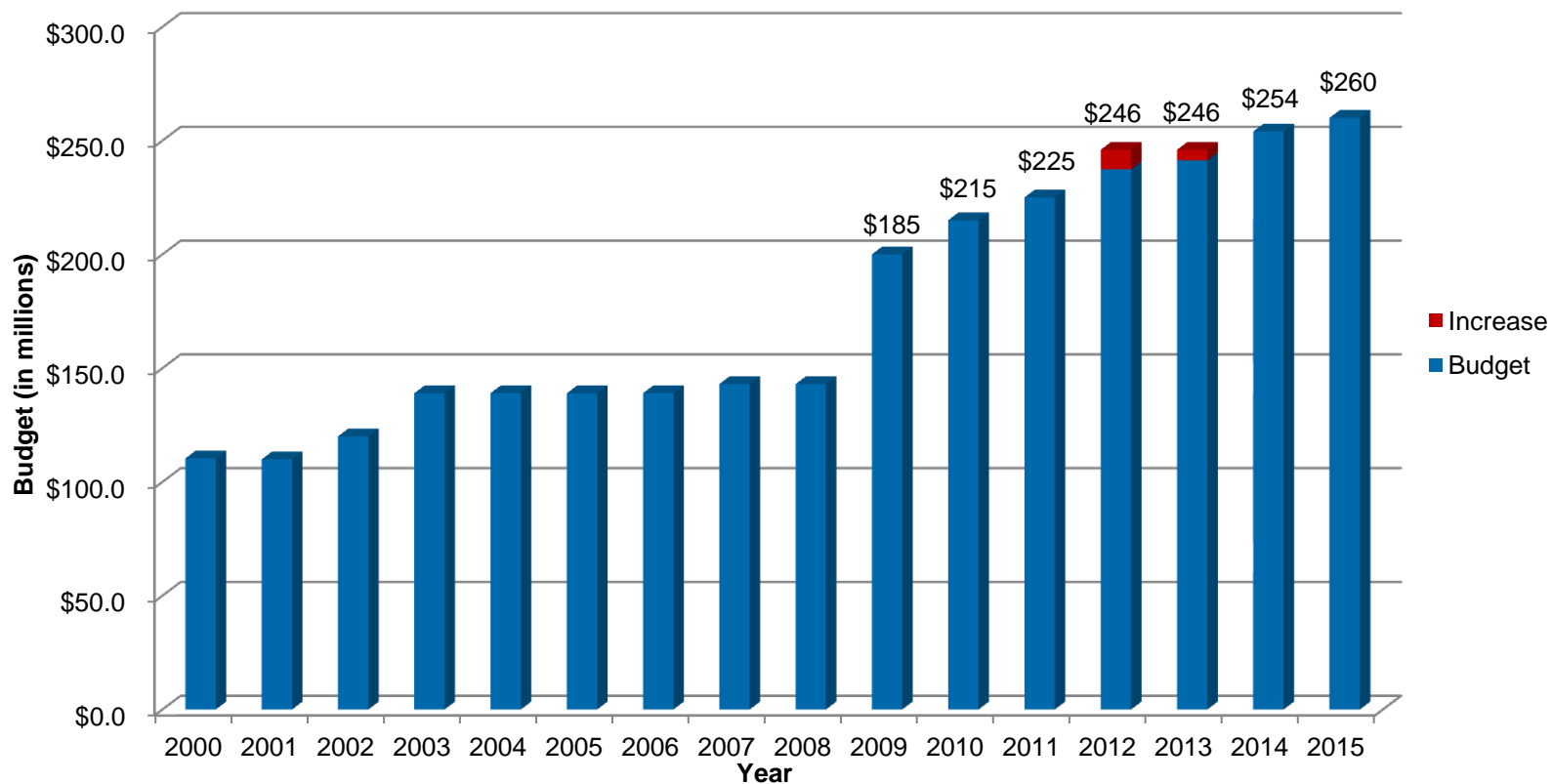


# Introduction

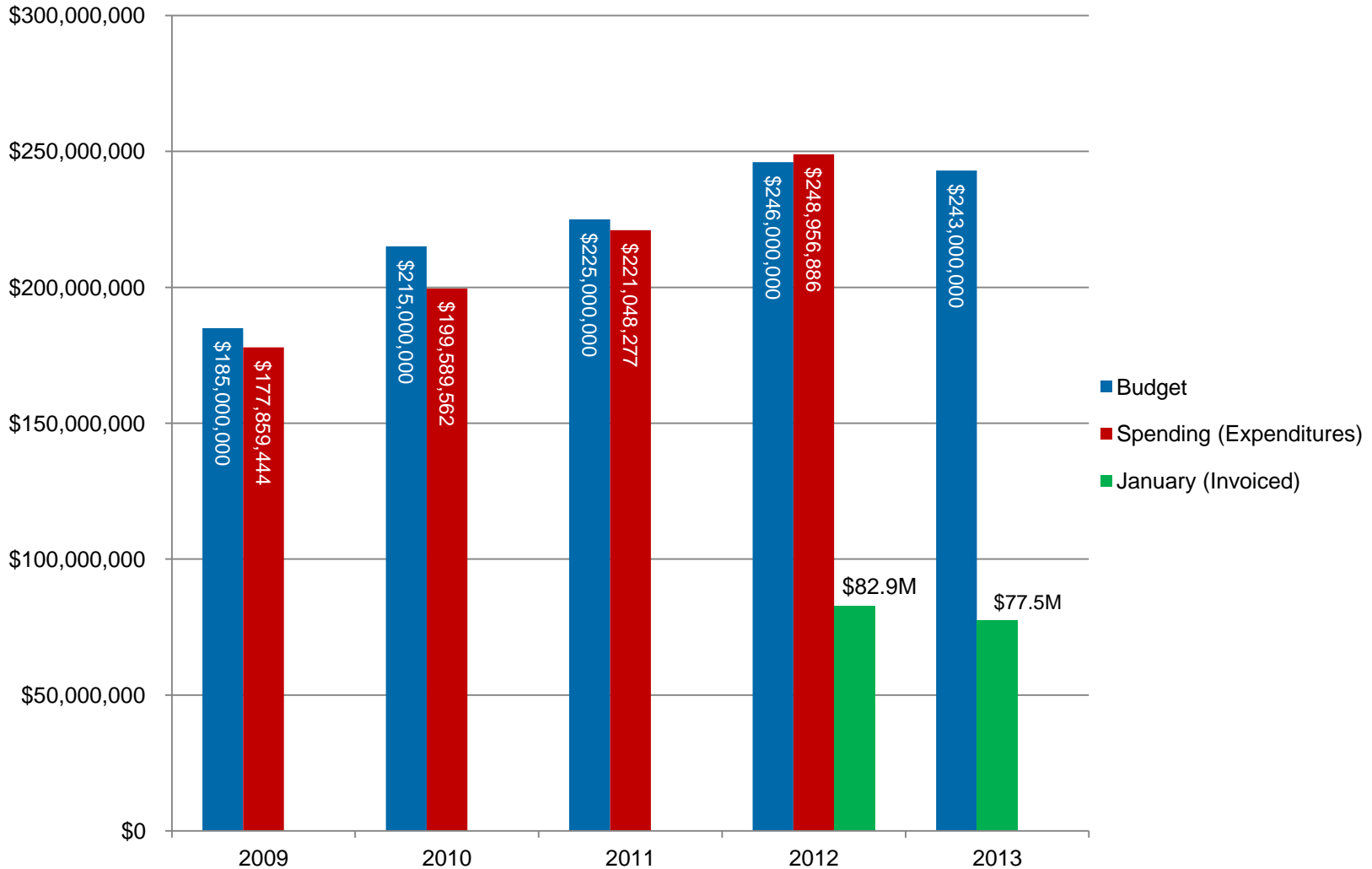
## **The focus of this F&W Program presentation:**

- Provide an update on the expenditures for the current quarter and rate period (FY12/FY13).
- Describe management tools, changed practices, and expectations of sponsors.
- Answer questions regarding budgets and spending.

# Fish & Wildlife Expense Budget (IPR 2000-2015)

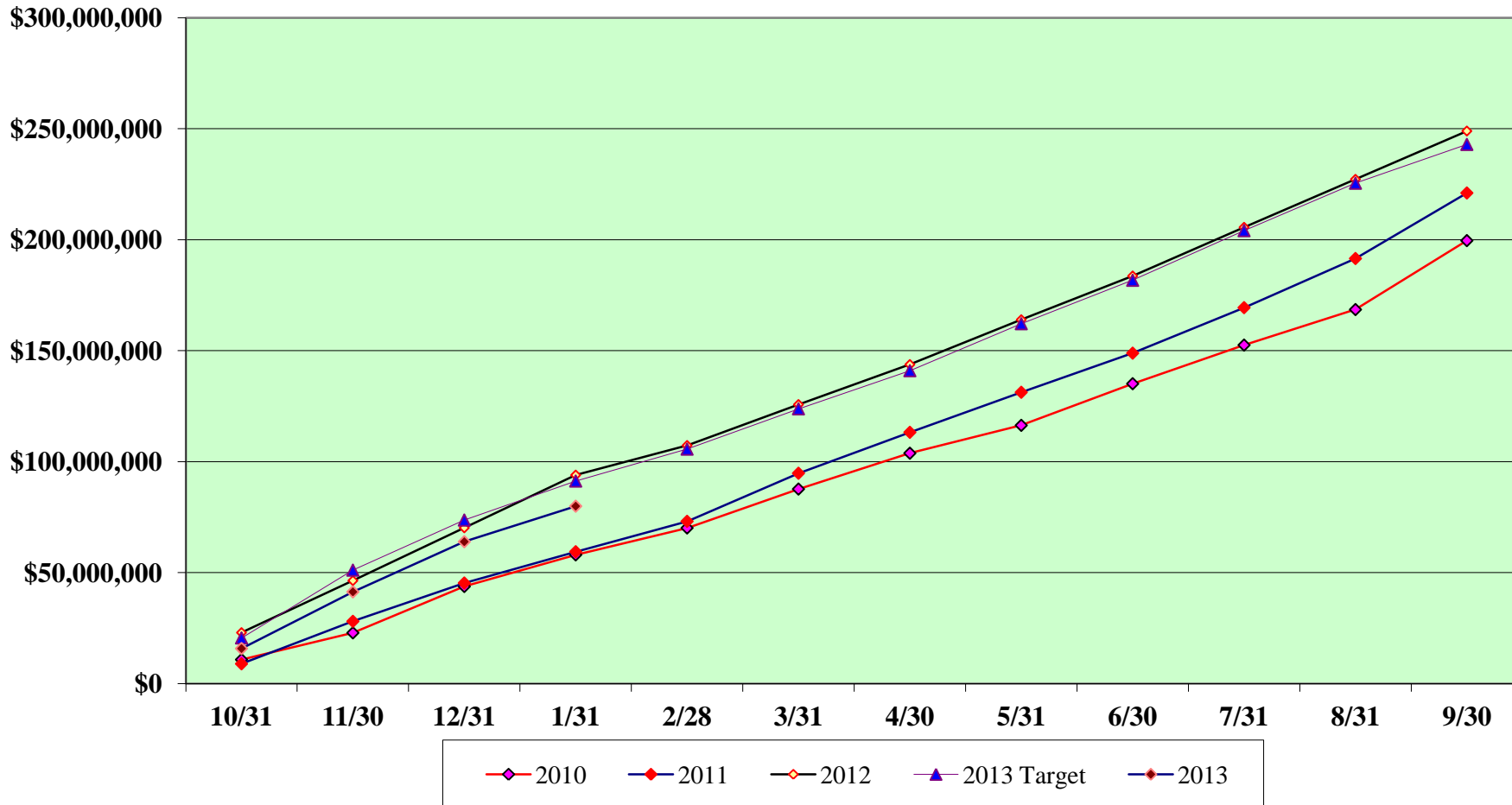


# Expense Budget and Expenditures



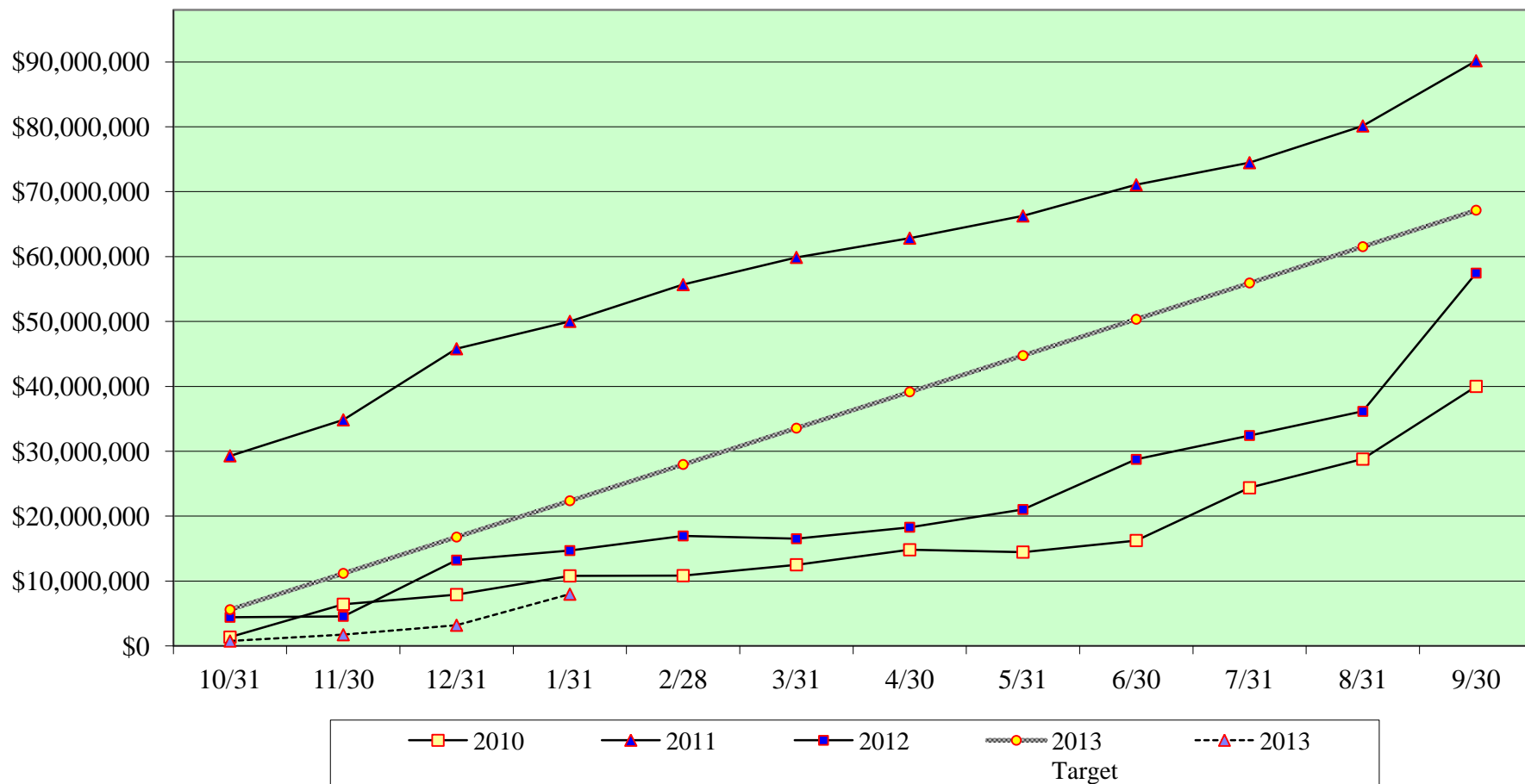
# Monthly Expenditures (Expense)

Monthly Cost Comparison (Expense)



# Monthly Expenditures (Capital)

## Monthly Cost Comparison (Capital)



# Spending Management

- Collaborative spending adjustments by sponsors
- Rigorous tracking and quarterly reporting
- Continued focus on efficiencies and RME reform consistent with the RME categorical review.
- Land acquisitions used as spending “dial” in Q4



# Contract Management

- No Cost Time Extensions limited to 3 months and <\$25k; require management approval
- Contract extensions by exception only; may not overlap
- More stringent limitations on 2-year contracts
- Management reserve may be established after restoring agreed-on reductions in FY14 and beyond

# Invoicing -- Prompt Payment and Billing

- BPA maintains a strict policy of prompt payment to sponsors (usually within 30 days).
- BPA has historically provided flexibility to sponsors regarding late invoices which creates significant risk to BPA due to the uncertainty of billing.
- BPA will communicate with project sponsors requesting assistance with prompt billing and invoice submittal.
- Sponsors will be expected to submit a final invoice within 90 days of the expiration of a contract. At 180 days of the expiration of a contract, BPA will initiate close out and de-obligate any unbilled funds.

# Summary

- Year-to-date expense spending is ~\$5M lower than this time last year
- Year-end projection is on-track using land acquisitions as “dial”
- Contract management tools are being implemented to tighten practices and reduce uncertainties about spending
- Sponsors are also being asked for prompter invoicing
- Program budget increases to \$254M in FY14, which affords opportunity to begin restoring agreed-upon deferrals
- Efficiencies in RME may be available in the future to reprogram to higher priority on-the-ground mitigation