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## Northwest Power and Conservation Council

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March 7, 2023

### MEMORANDUM

**TO:** Fish and Wildlife Committee Members

**FROM:** Mark Fritsch

**SUBJECT:** Update on the Council's *Asset Management Strategic Plan* Implementation

### BACKGROUND:

**Presenter:** Jason Sweet, executive director, fish and wildlife, Bonneville Power Administration  
Andy Traylor, fish and wildlife administrator, Bonneville Power Administration  
Mark Fritsch, project review and Implementation manager

**Summary:** Bonneville and Council staff will provide an overview of the [Asset Management Strategic Plan](#) (Plan) and discuss integrating the reserves distribution clause (RDC) funds for non-recurring maintenance needs for past fish and wildlife investments. Timelines and expectations will be provided.

**Relevance:** The 2014 Fish and Wildlife Program (Program), includes an investment strategy (Part Six, Section II; and Appendix P). Specifically, "...*long-term maintenance of the assets that have been created by prior program investments...*" is ranked the highest emerging priority in the Program.

In response, an Asset Management Strategic Plan was collaboratively developed with Bonneville to address non-recurring maintenance needs for hatcheries, fish diversion screens, and mitigation lands to ensure

longevity and integrity of the Program's past investments, approved by the Council on October 10, 2018.

Workplan: Fish and Wildlife Division Work Plan 2022; program Implementation; task D. implement the asset management strategic plan.

Background: Since the adoption of the 2014 Fish and Wildlife Program in October 2014, Council staff has worked with Bonneville staff, asset management subcommittee, Independent Economic Analysis Board, fish screening oversight committee (FSOC), fish and wildlife managers, cost savings workgroup, and independent contractors to develop a strategic plan to ensure the longevity and integrity of the Program's past investments.

The Plan<sup>1</sup> was adopted by the Council in 2018 and complements Bonneville's strategic asset management plans (SAMPs) which were first generated in 2020 for hatcheries, lands and fish screens.

As part of the Plan's phased development, hatchery site visits and assessments were completed<sup>2</sup> to create a list of non-recurring hatchery needs. Fish screens assessed and prioritized for improvements were compiled and provided by fish and wildlife managers and the FSOC.

Lands, acquired and managed under the Fish and Wildlife Program, in contrast to the other asset categories, not affected by "age" as applied to structural assets have been assessed by Bonneville internal SAMPs. Currently, the [budget oversight group](#) (BOG) process is the primary tool to address non-recurring wildlife lands needs that are not part of stewardship or settlement funds and/or annual maintenance budgets.

All Program investments need adequate annual operations and maintenance budgets, but lands projects depend entirely on the adequacy of their annual budgets for critical operations and maintenance. Due to flatlined funding over the past decade, there may be a need in the near future to revisit the Plan to ensure the integrity of land investments in the Fish and Wildlife Program.

Recently, in 2022, Bonneville updated their SAMPs<sup>3</sup>. In addition, as outlined in the Plan, at five-year intervals, the hatchery assessments were updated by an independent engineering firm (Four Peaks Environmental Science & Data Solutions) to confirm and update major assets for the [Program's hatcheries](#). This exercise was completed in January 2023. As

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<sup>1</sup> The Plan was developed in the following 4 phases for the Program's past investments (Phase 1: Asset Inventory; Phase 2: Condition Assessment; Phase 3: Prioritization and Phase 4: Strategic Planning).

<sup>2</sup> In 2017 assessments for the Program's 14 hatcheries was completed by HDR, McMillen and Bonneville engineers.

<sup>3</sup> This is a revision to the 2018 plans.

part of this update, three new sites were assessed: Melvin R. Sampson Fish Hatchery, Walla Walla Hatchery, and the Bonneville Hatchery Captive Brood Building.

On February 7, 2023, the Operation and Maintenance Subcommittee met to discuss the purpose of the RCD funds and integrating them with the Plan and its established annual process. The subcommittee also discussed a timeline for this, as well as focusing the asset management placeholder (\$500K) on the Program's fish screens in FY 2024.

More Info:

- Bonneville Power Administration [strategic asset management plan \(SAMPs\)](#) for Hatchery, Fish Screens, and Land.
- Resource maps for the Fish and Wildlife Program's [Hatcheries](#), [Screens](#) and [Lands](#).
- [2014 Fish and Wildlife Program](#) (Part Six, Section II, page 114; and Appendix P, Maintenance of Fish and Wildlife Program Investments, page 199).

# Update on the Council's Asset Management Strategic Plan

March 2023

# Asset Management Strategic Plan and Strategic Asset Management Program

- **NPPC Asset Management Strategic Plan (Plan) approved 2018**
  - address non-recurring maintenance needs to ensure the longevity and integrity of the Program's past investments made for the benefit of fish and wildlife (hatcheries, fish screens, lands)
  - Implementation is guided by the Asset Management Subcommittee
  - Phased developed
  - Dependent on condition assessments and priority needs
  - Annual Process to inform upcoming start-of-year budgets
  - Annual \$500,000 Asset Management Placeholder
- **BPA Strategic Asset Management Plans (SAMPs) initiated for hatcheries in 2020**
  - Updated biennially to support the Integrated Program Review (IPR) cycle
  - Convert the objectives of the agency strategic plan and asset management policy into a long-term strategic approach to managing asset systems
  - Describes long-term objectives and strategies, asset criticality, risk assessments

## Reserves Distribution Clause (RDC)

- Power Services FY22 financial performance triggered a RDC
- Bonneville's Administrator allocated \$50M to address non-recurring maintenance needs at existing fish & wildlife assets
- \$25M to LSRCP hatcheries, \$25M to EFW hatcheries
  - The distribution between programs was not based on a 50/50 split but rather set to cover existing high and medium priority needs for LSRCP assets, and to also cover the most critical existing needs at Program Hatcheries noted in the SAMP
- Additional funding from the RDC will be integrated into established Bonneville/Council prioritization process
- Enables the ability to address known needs more rapidly than was forecast in the SAMP and budgeted for in FY24 and FY25.

# O&M Subcommittee

- Use the established and proven process for the integration of the asset approaches for Program investments
- Use established annual process
- Timing has been ideal to use the recently completed condition assessment update done for Program hatcheries
- Use the annual \$500K placeholder for the Program's fish screens

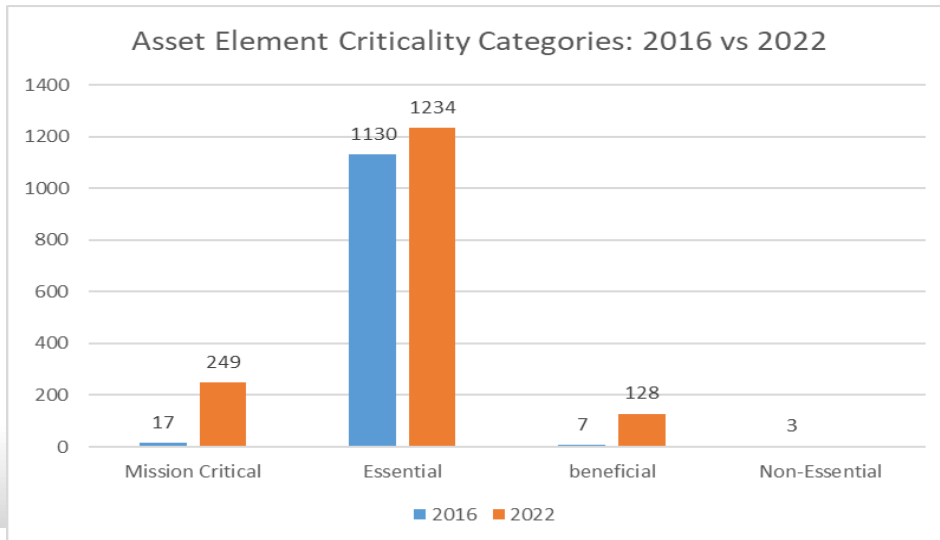
# The Plan's Annual Process

- January (February) – requests and priorities from sponsors/managers
- February to March - review priorities received
- April - discussion and confirmation of priorities with Asset Management Subcommittee.
- May – Fish and Wildlife Committee discussion and recommendation to Council
- June - Council decision and recommendation to Bonneville



# 2022 Hatchery Condition Assessment Update

- Assessed 37 existing and 3 new hatchery facilities
- Gained additional resolution for asset elements
- Revised Asset Element Criticality Category definitions
- Developed standard life expectancies for equipment
- Updated to reflect AM placeholder work from 2017-2023
- Updated costs to 2023 USD



# 2022 Hatchery Condition Assessment Update

- Use information from condition assessment update to inform prioritization
- Goal to address all mission critical and essential assets that are *expired* or in *poor* condition at all program hatcheries
- Utilize RDC funding in multi-year maintenance-only contracts
- Phased approach, moving down priority list as funds allow
- Exercise cost management strategy for construction related projects (contingency)