

Jeffery C. Allen
Chair
Idaho

Ed Schriever
Idaho

Doug Grob
Montana

Mike Milburn
Montana



Northwest **Power** and **Conservation** Council

KC Golden
Vice Chair
Washington

Thomas L (Les) Purce
Washington

Ginny Burdick
Oregon

Louie Pitt, Jr.
Oregon

November 7, 2023

MEMORANDUM

TO: Fish and Wildlife Committee Members

FROM: Council staff

SUBJECT: Staff update on the Regional Coordination Forum small workgroup meetings

BACKGROUND:

Presenter: Maureen Hess, Kris Homel, Patty O'Toole, staff

Summary: The Regional Coordination Forum (RCF) last met during spring 2023 and formed two small workgroups to continue discussions: 1.) to provide feedback on the Council's Governor's Report of Bonneville mitigation expenditures (also known as the "Costs Report"), and 2.) to provide a discussion forum for interested entities to discuss program funding, in particular as related to inflation over the last ten to fifteen years. Staff will brief the committee members on highlights from the subcommittee meetings.

Relevance: Part six, section III B. of the 2014 Fish and Wildlife Program calls for the Council to convene a forum of regional coordination representatives and other interested parties to discuss the upcoming years' issues of regional significance. The RCF provides an important mechanism for the Council to engage with the fish and wildlife managers on the priority work in the Fish and Wildlife Program. It also provides a forum in which the managers can interact and discuss general issues of regional importance or interest.

Workplan: This addresses workplan task A.1. Regional coordination

Background:

The Regional Coordination Forum (RCF) is a forum of those entities (Fish and Wildlife Managers) that receive Fish and Wildlife regional coordination funds. This group generally meets annually or more often as needed. The 2014 Fish and Wildlife Program states that the forum is to focus on topics related to the Council's Fish and Wildlife Program policy, implementation, and program performance evaluation.

The last full RCF meeting was held over two separate dates in 2023: April 10 and May 23. At those meetings we heard members interested in two follow-up meetings of a smaller group of interested entities: 1.) to provide feedback to the Council on its Governors report as the Council considers changes in that report, and 2.) to provide a discussion forum for interested entities to discuss program funding, in particular as related to inflation over the last ten to fifteen years. These RCF small workgroup meetings were held on September 21 (1. Governors report) and October 26 (2. Program funding).

1. September 21 workgroup meeting summary – Governors report

The Council is considering changes to how it reports on the information that has been reported as the *Columbia River Basin Fish and Wildlife Program Costs Report/Annual Report to the Northwest Governors*. Changes in staff that have historically worked on the report, a reduced number of staff available to work on the report, increasing focus on Program implementation and performance all lead to taking some time to rethink how reporting this information should occur. One source of important feedback is the regional coordinators. Historically this group has been a significant audience for the report.

A meeting with interested RCF members was held on September 21 to discuss the report in detail and collect feedback. Comments included:

- Bonneville expenditure information is important for the public including state agencies, tribes and others.
- Support for continuing to produce a stand-alone report that addresses Bonneville's total expenditures, including those that occur outside of the Council's Program and responsibilities.
- Request for improved transparency behind the summary information and data reported by Bonneville and request access to the associated companion table of direct-funded projects used to generate the expenditure information.
- Some geographic information reported by Bonneville in the current report is not reflective of where work occurs based on the methodology used to report in the Bonneville online database called CBFish. This results in incorrect interpretations.

- The report can be reduced to the most critical elements to require less staff time.

The next step for the staff is to use the feedback we received, along with other feedback received from others in the basin, to develop a set of recommendations for consideration by the Public Affairs Committee.

2. October 26 workgroup meeting summary

One of the topics that the Regional Coordination Forum wanted to discuss further was program funding, in particular as related to inflation. A meeting with interested RCF members was held on October 26. Comments included:

- Concern was expressed that there is a regional perception that mitigation work is continuing steadily through time when in fact many projects are suffering from shrinking budgets, growing costs, and no ability to adapt to new information needs or inflation. As a result, many projects are shrinking in scope, some even are being eliminated, thus reducing the overall amount of mitigation for the hydrosystem impacts to fish and wildlife.
- Concern was expressed that, even with the recent increase in the Fish & Wildlife program budget for FY2024, inflation projections indicate additional cuts to projects will still need to occur in 2025.
- Concern was expressed that the work reviewed by the ISRP and recommended by the Council is not being fully implemented through the contracting process. It was noted that Bonneville focuses on their own priorities in contracting and that Program priorities are not being addressed as expected. RCF members expressed concern regarding the minimal transparency related to these decisions. F&W Managers noted that project implementers must spend time and effort going through processes such as proposal development and detailed project reviews. They are frustrated that in the end, other decisions overrule Council recommendations and thus the process does not reflect how funding is actually allocated.
- Concern was expressed about other Bonneville-funded projects (i.e., BPA Program Support and technical Service contracts) that do not undergo ISRP, public and Council review. Their perspective is that these projects are influencing decisions and should be held to same standards as other projects.
- Annual O&M budgets are inadequate to address non-recurring maintenance needs for past Council investments (e.g., hatcheries). There is a need for a comprehensive long-term plan to avoid falling behind on maintenance.

The group expressed three stated needs:

1. Multi-year projects under the F&W program should have cost-of-living adjustments built into their contract and include inflation so they can maintain scope and continue to function as reviewed.
2. Funding should be adequate to meet Program goals, including maintenance of existing mitigation, and opportunities to adjust to changing information, not held to Endangered Species Act priorities.
3. Implementation roles and responsibilities for Bonneville, Fish and Wildlife Managers, and the Council need to be reviewed because there has been a shift over time in how implementation decisions are made, and this shift differs from what the Power Act and Programs envisioned.

These concerns have been expressed to the Council at various points in the past, and the Council has taken steps to address them, particularly related to needs #1 and #2 above. Below are related provisions (excerpts) in the 2020 Fish and Wildlife Program addendum, and in recent Council project review decisions.

2020 Addendum to the 2014 Program:

- ***Protect productive work during budgetary processes.*** *The Council understands that a great deal of Bonneville's responsibility to implement the program occurs outside of the Council and public's view. However, there are aspects of this effort that require greater Council involvement. Bonneville's internal efforts to manage program costs over the last few years have been aimed at reducing costs by finding program efficiencies without affecting substantive work. Program efficiency and cost containment are laudable objectives, but they can have policy implications that warrant Council participation, particularly when reductions result in projects that are implemented in a manner that no longer reflects the original proposal that underwent science and project review and received a Council funding recommendation based on that review. In the future, the Council, Bonneville and others will work to ensure that reductions in program expenditures are aimed at finding efficiencies without sacrificing productive work. Bonneville shall provide regular public information to the Council on project implementation, so that the Council can understand whether and how implementation differs from the work recommended after project review. In particular, Bonneville shall provide timely notice to the Council when Bonneville implementation decisions result in a material change in the scope, desired outcomes or budget of a project. The Council will review this information and assess whether further Council recommendations are warranted, including further ISRP review. The Council will develop with Bonneville a written agreement for sharing this information, to assist the Council in its project review, program development and program performance efforts.*
- ***Protect productive work even if using stable project budgets to help control the growth of program expenditures.*** *Fish and wildlife managers and project sponsors have raised concerns with the Council over cost management techniques*

that hold certain projects at flat budgets for years, even though some of the costs of implementation rise over that time. This fiscal discipline can remove inefficiencies in spending and is a legitimate tool for Bonneville to apply. However, over time, persisting with flat budgets begins to force project sponsors to make cuts that undermine the ability to perform the substantive work and meet project and program objectives. Bonneville should work with the Council and project sponsors to identify when project budgets need to increase to reflect the effects of inflation and preserve the substantive work.

- ***Share the cost management efforts as equitably as possible over the entire program.*** Bonneville's efforts to manage or reduce program costs can, at times, be imposed on a small proportion of the total range of projects funded to implement the program. The Council understands the value of the commitments made in the Columbia Basin Fish Accords and to that portion of the program that addresses the needs of ESA-listed fish. On the other hand, all the program's core protection and mitigation activities are of equal priority under the Northwest Power Act and need to be treated in program management equitably, especially if proposed funding cuts begin to threaten the substantive work and ability to meet project objectives. Bonneville must work diligently with the Council and the project sponsors to equitably share cost management efforts throughout the program.

Council recommendation (excerpts) from the last project review decision document regarding the effects of inflation and flat project budgets:

- *Consistent with the Fish and Wildlife Program, Bonneville should work with all project sponsors to identify projects (those in this review and all other ongoing projects) that are experiencing issues related to inflation that are faced with reducing the amount of substantive work they can do and develop options for relief. Bonneville to report findings and conclusions for all projects to the Council.*
- *The Council recommends that Bonneville develop flexibility in its budget management protocols to allow the budget available for fish and wildlife mitigation be fully expended on fish and wildlife mitigation within the biennial rate case and report progress to the Council.*

The staff aim to consider the feedback we received, along with consideration for how the Council has addressed the concerns in the past, to develop next steps. This will include additional discussion and planning next steps with the Regional Coordination Forum.

Update on Regional Coordination Forum small workgroup meetings

November 14, 2023

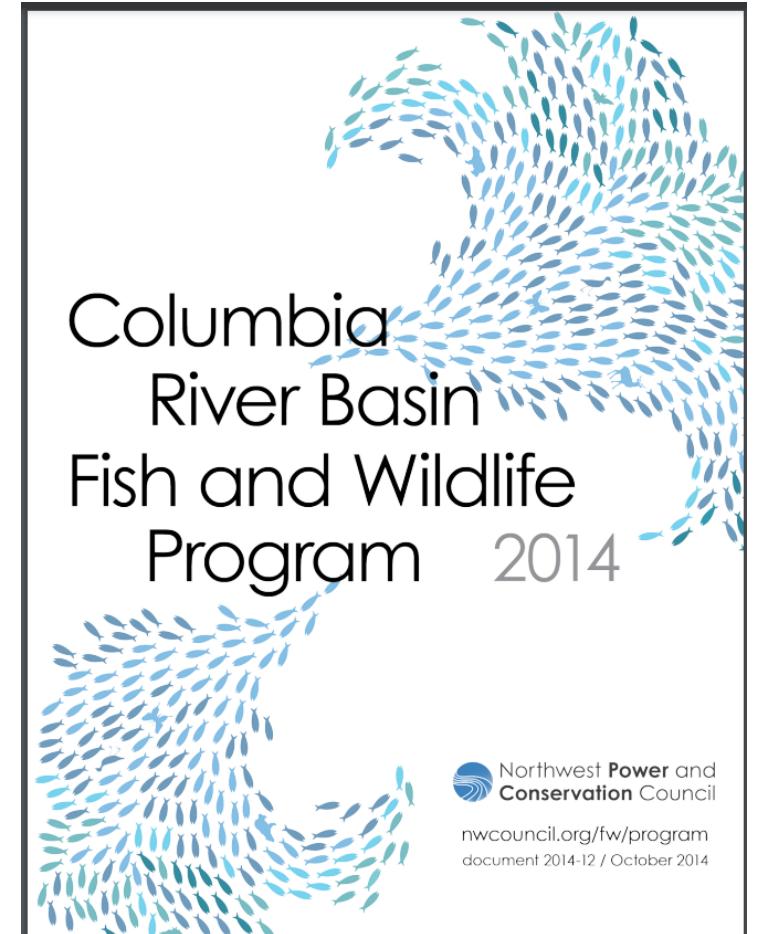
Current Program Language

2014 Columbia River Basin Fish and Wildlife Program

Part 6, Section B (page 121)

The Council has benefited and will continue to benefit from the individual and coordinated efforts of groups, committees and organizations in implementing the program. Continued coordination of various program elements is expected, supported, and in some cases financed by the Bonneville Power Administration. Annually, the Council will convene a forum of regional coordination representatives and other interested parties to discuss the upcoming years' issues of regional significance that may include:

- Council-sponsored/requested topical science and policy forums, workgroups, and special panels to aid in program development and implementation*
- Ongoing work to improve program reporting, evaluation, and assessment*
- Key program-related regional forums where policies, programs, and actions affecting fish and wildlife are planned and implemented*
- Coordination of subbasin or other level program activities*
- The Council will factor in the implementation priorities and its fish and wildlife program work plan into this annual discussion forum.*



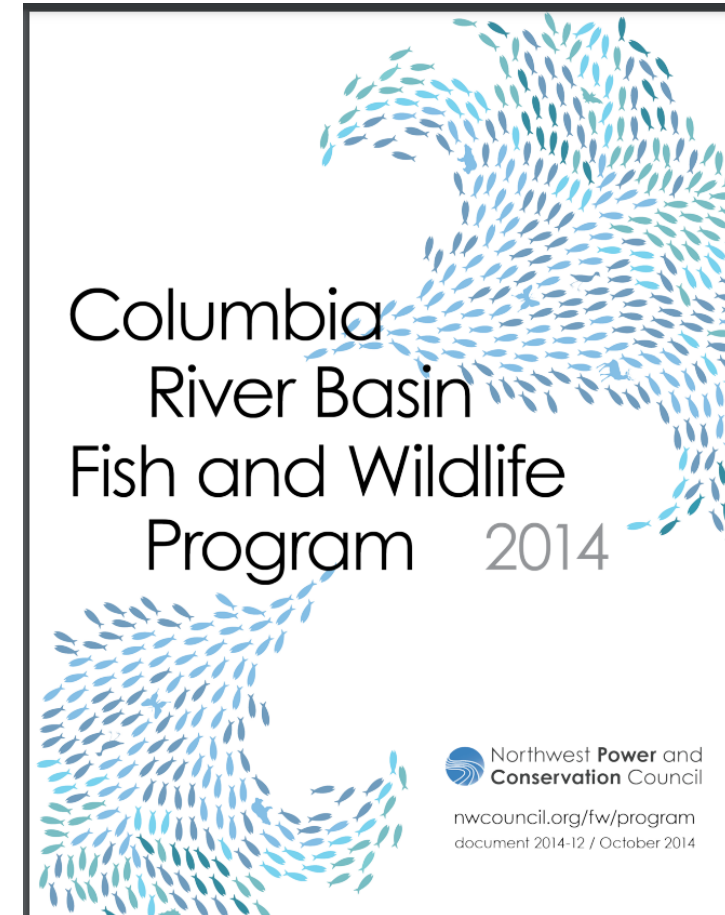
Current Program Language

2014 Columbia River Basin Fish and Wildlife Program

Part 6, Section B (page 121)

Program coordination funding

Entities receiving program coordination funding must participate in the annual forum and a subset of the resulting priority activities identified by the group, as appropriate for the particular entity. All related work should focus on activities that inform the Council on policy, program performance evaluation, and implementation decisions and are beneficial at a basinwide or regional scale.



Which entities receive regional coordination funding?

States (4)	Tribes (13)	Tribal coordination organizations (3)
Idaho	Coeur d' Alene	Columbia River Inter-Tribal Fish Commission (Nez Perce, Umatilla, Warm Springs, Yakama Nation)
Montana	Colville	Upper Columbia United Tribes (Kootenai, Spokane, Coeur d' Alene, Colville, Kalispel)
Oregon	Cowlitz	Upper Snake River Tribes (Burns Paiute, Shoshone-Bannock, Shoshone-Paiute)
Washington	Grande Ronde	
	Kalispel	
	Kootenai	
	Nez Perce	
	Salish-Kootenai	
	Siletz	
	Spokane	
	Umatilla	
	Warm Springs	
	Yakama	

Regional Coordination Forum - Spring 2023

Agenda - Spring 2023 meetings

1:00 PM (PDT)	Welcome and Introductions
1:25 PM - 4:00 PM	Topics to discuss below (<i>break as needed</i>)
	<ol style="list-style-type: none">1. Discussion of regional coordination funding in the Program2. Update on next Program amendment timeframe3. Discussion of future project review process4. Program Tracker demo and discussion of Strategy Performance Indicators5. Update on Governors Report and future reporting discussion6. Discussion on Program funding7. Other topics if time allows

[April 2023 meeting notes](#)

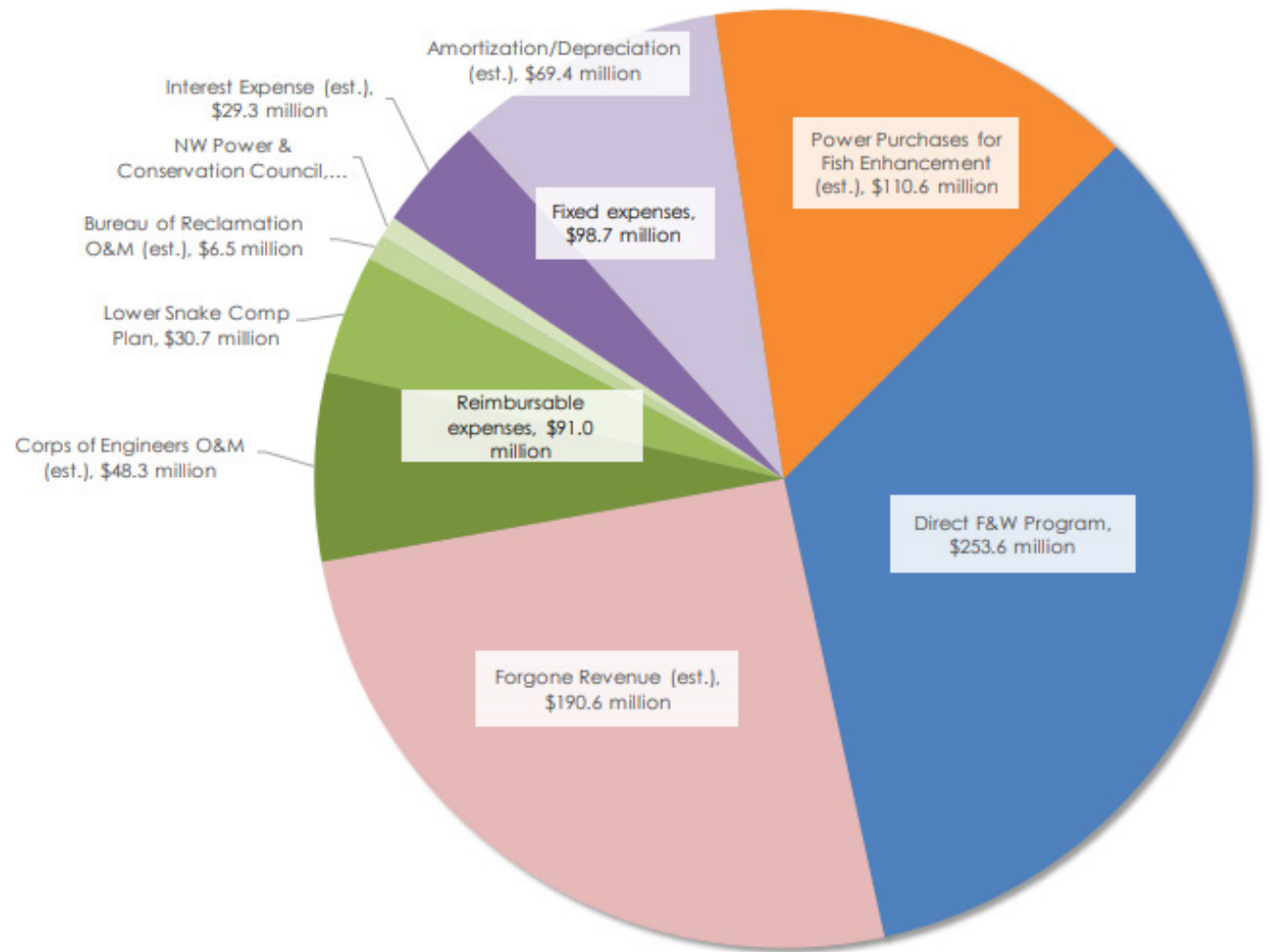
[May 2023 meeting notes](#)

Update - discussions with RCF small workgroups

- September 21 - workgroup feedback on the Council's Governors Report of Bonneville mitigation expenditures.
- October 26 - discussion on Program funding, particularly related to inflation over the last 10-15yrs.

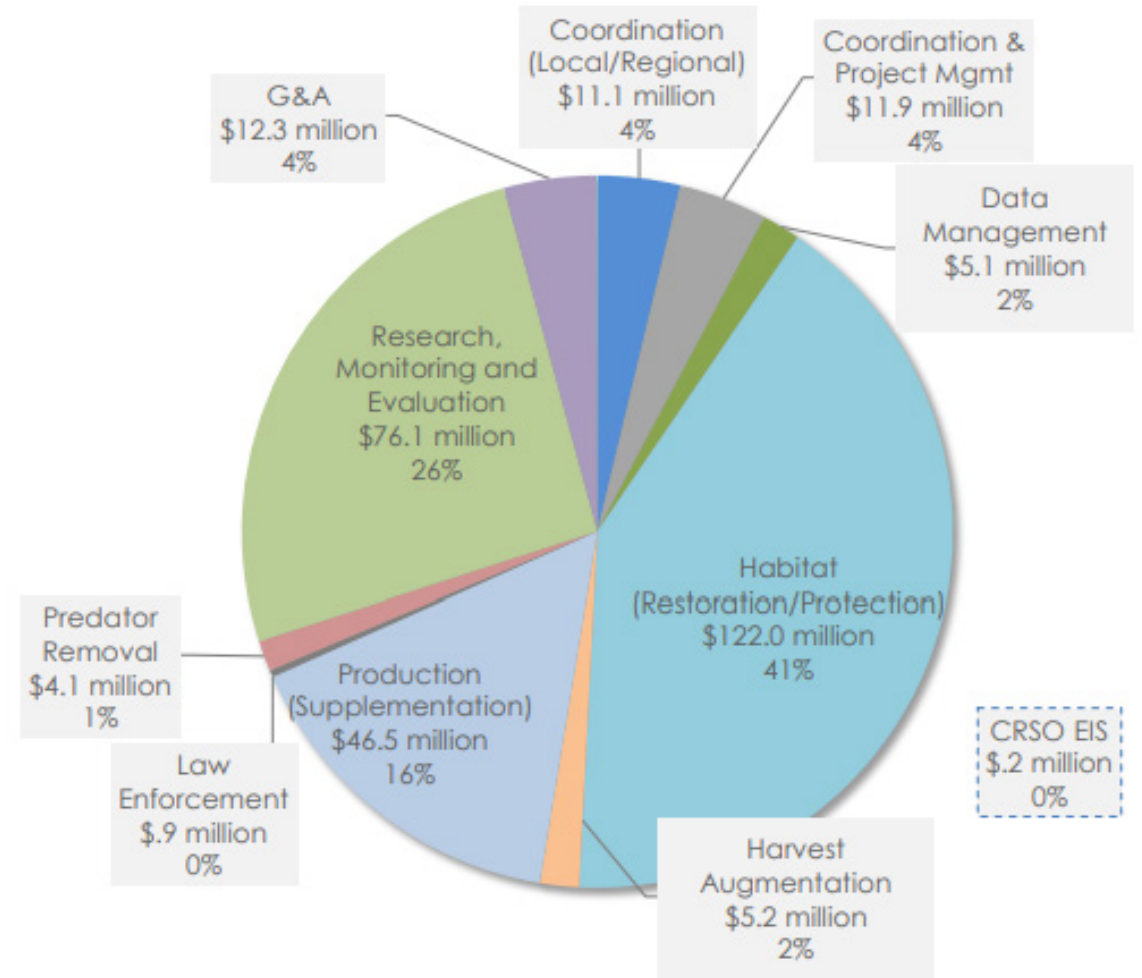
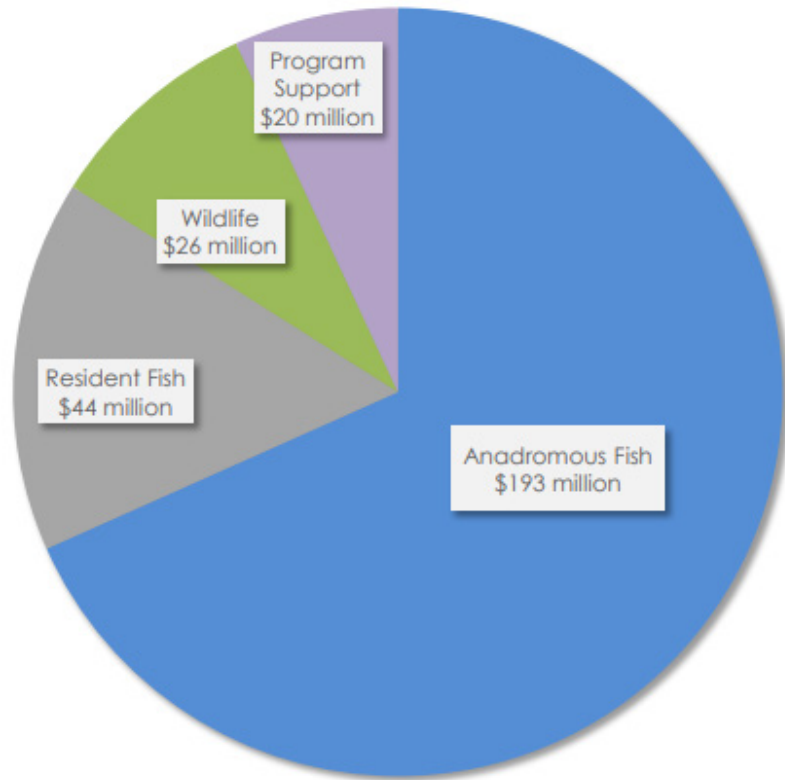
Overview of the Governors Report

- Long-term reporting of costs relative to fish and wildlife program
 - Data provided by BPA from 1978 to present
 - First cost report produced in 2001



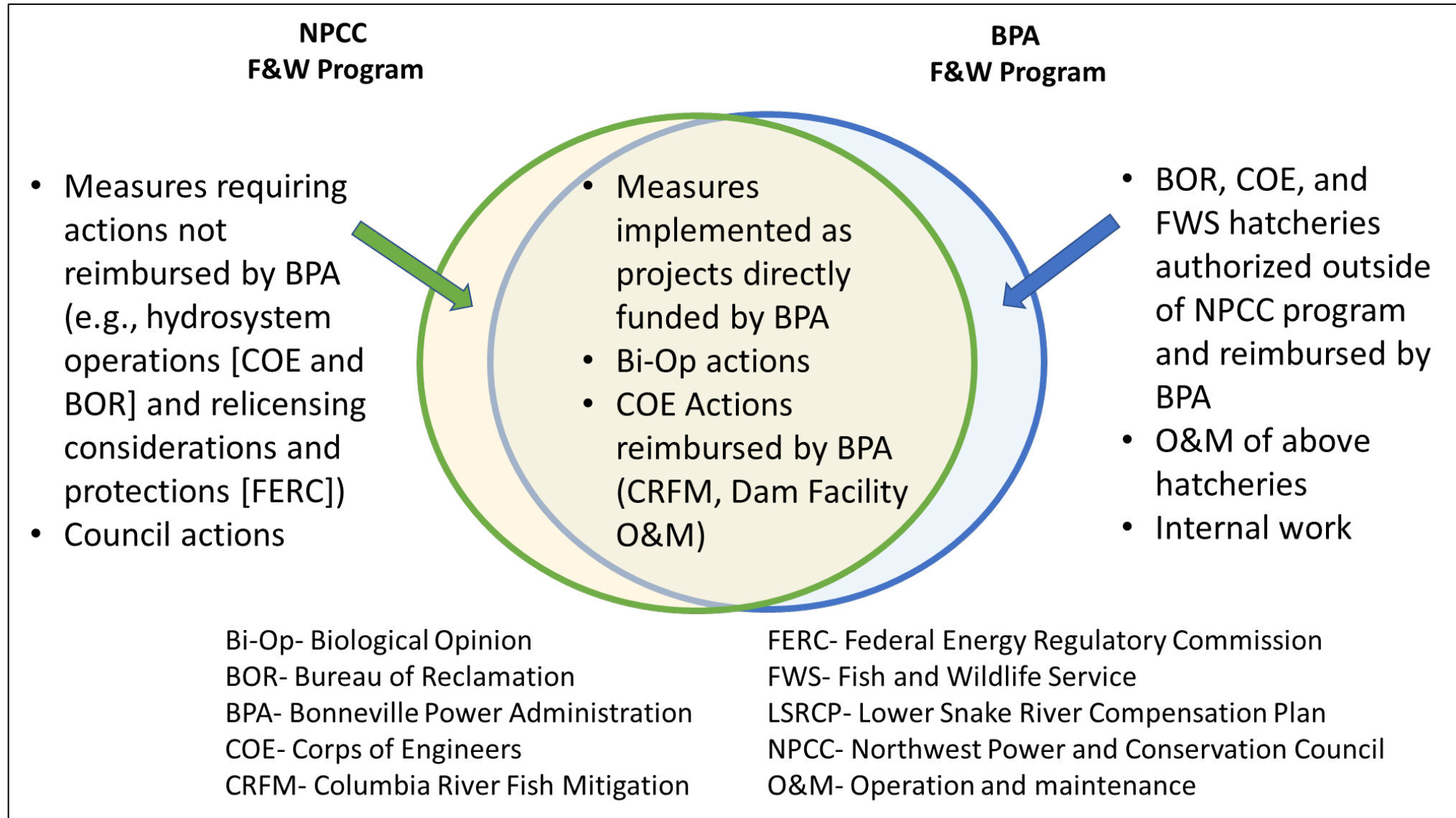
Overview of the Governors Report

- Information presented in different ways- by species group, species, work type, location, and more



Overview of the Governors Report

Financial data provided by BPA reflects BPA's assessment of their fish and wildlife costs



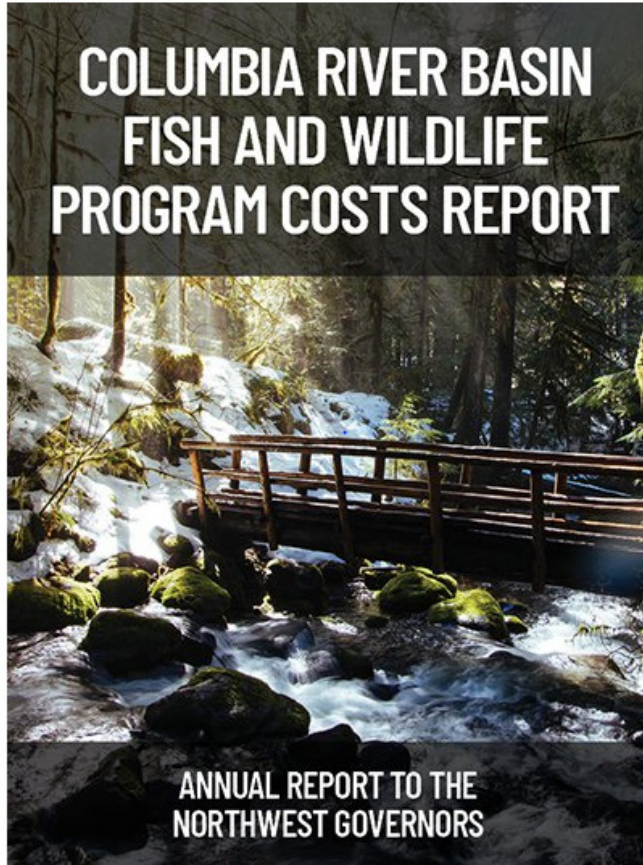
Where are we today?

- Lost positions on staff; no report was produced for 2022
- Good time to rethink how to move forward on reporting
- Discussed several topics with managers
 - How does the region use the report?
 - What are the key elements?
 - What interpretation around figures/ tables is useful for region?
 - What other information or figures would be beneficial?
 - Alternative reporting formats?

RCF small workgroup comments – Governors Report

- Information on Bonneville expenditures is important for state agencies, tribes, and the public.
- Support for continuing to report Bonneville's total expenditures, including those that occur outside of the Council's F&W Program and responsibilities.
- Request improved transparency of the summary information and data reported by Bonneville.
- Request refinements to Bonneville's methodology in reporting geographic information for where work occurs.
- Support for reducing the report to the most critical elements.

Next steps - Governors Report



[Link to existing reports](#)

- Staff to consider all feedback (RCF, others) and develop a set of recommendations for consideration by the Public Affairs Committee in preparation for the next report (FY 2023).

Update - discussions with RCF small workgroups

- September 21 - workgroup feedback on the Council's Governors Report of Bonneville mitigation expenditures.
- October 26 - discussion on Program funding, particularly related to inflation over the last 10-15yrs.

RCF small workgroup comments – Program funding

- Funding not keeping pace with growing costs and inflation, reducing quantity and quality of mitigation work.
 - Project impacts include shrinking scope, elimination of entire projects, no ability to adapt to new information needs.
- Even with Program budget increase in FY2024, inflation projections indicate additional cuts to projects will still need to occur in 2025.
- Disconnect between what was reviewed and recommended by Council and what gets funded by Bonneville.
 - Bonneville focus on own priorities in contracting.
 - Minimal transparency related to funding decisions.
 - Frustrations with Council review process because decisions on funding are no longer connected to this process.
 - Concerns that other Bonneville-funded projects do not undergo ISRP, public, and Council review.
- Need a comprehensive long-term plan to address non-recurring maintenance needs for Program hatcheries, annual O&M budgets are inadequate.

RCF small workgroup stated needs – Program funding

- 1.) Multi-year projects under the F&W program should have cost-of-living adjustments built into their contract and include inflation so they can maintain scope and continue to function as reviewed.
- 2.) Funding should be adequate to meet Program goals, including maintenance of existing mitigation, and opportunities to adjust to changing information, not held to Endangered Species Act priorities.
- 3.) Implementation roles and responsibilities for Bonneville, Fish and Wildlife Managers, and the Council need to be reviewed because there has been a shift over time in how implementation decisions are made, and this shift differs from what the Power Act and Programs envisioned.

How Council addressed concerns in the past

2020 Addendum to the 2014 Program (see memo for specific language):

- *Protect productive work during budgetary processes.*
- *Protect productive work even if using stable project budgets to help control the growth of program expenditures.*
- *Share the cost management efforts as equitably as possible over the entire program.*

Council recommendations from project review decision in 2022 (see memo for specific language):

- *Bonneville to identify projects experiencing issues related to inflation and develop options for relief - report findings and conclusions to Council.*
- *Bonneville to develop flexibility in budget management protocols to allow the budget available for F&W mitigation be fully expended on F&W mitigation within the biennial rate case and report progress to the Council.*

Developing next steps – Program Funding

- Staff to develop next steps - will need additional discussion and planning with the Regional Coordination Forum (anticipating Spring 2024 follow up).
 - Considerations for next steps include:
 - RCF feedback and stated needs (see slide 15).
 - How the Council addressed Program funding concerns in the past (see slide 16).