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August 3, 2021

### DECISION MEMORANDUM

**TO: Council Members**

**FROM: Mark Fritsch**

**SUBJECT: Use of Fiscal Year 2021 Cost Savings**

**PROPOSED ACTION:** Recommendation to support allocating FY 2021 Cost Savings to fish screens and hatcheries the Fish and Wildlife Program's stated high priority of maintaining past investments.

**SIGNIFICANCE:** Conversations with Bonneville about the Cost Savings Fund have resulted a staff recommendation to allocate the remaining balance of \$450,000 to fish screen and hatchery projects to maximize the use of this fund this fiscal year. The 2014 Fish and Wildlife Program (Program) and 2020 Program Addendum describes using program cost savings if possible, to fund the Program priorities recommended by the Council, including the high priority of maintaining past investments.

### BUDGETARY/ECONOMIC IMPACTS

The funds associated with the proposed actions are available from the FY 2021 Cost Savings Fund at \$450,000.

### BACKGROUND

Council and Bonneville staffs have been working this calendar year on the development of a Collaborative Framework for Program implementation to establish an updated approach for implementing Council recommendations, including project reviews and other annual processes and placeholders/funds (i.e., BOG, Asset Management and Cost Savings).

It became apparent that a defined and approved framework would not be attainable in time to address FY 2021 placeholders/funds. This, along with the recognition in the Program of the importance of ensuring the longevity and integrity of the Program's past investments (e.g., [hatcheries](#) and [fish screens](#)), the most efficient and timely use of these funds is to meet nonrecurring needs. It is important to note that the funds need to be contracted quickly, prior to the end of the particular project's FY 2021 project contract.

The 2014 Program includes an investment strategy ([Part Six, Section II; and Appendix P](#)) which includes that “...*the long-term maintenance of the assets that have been created by prior program investments...*” and is the highest emerging priority in the Program. In response to the Program strategy, and in collaboration with Bonneville, an [Asset Management Strategic Plan](#) (Plan) was developed 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 made for the benefit of fish and wildlife. That Plan was approved by the Council on October 10, 2018. Based on this plan a prioritized list of maintenance equipment and tasks is developed each year.

The following Program hatcheries and fish screen project adjustments total \$449,800. Funding and would come from the Cost Savings fund. Staff feel confident that these funds can be expended in each project's FY2021 contracts and the placeholder will not be exceeded.

There have been ongoing discussions between Bonneville and Council staff related to the amount of the cost-saving fund that remains to be allocated as well as priorities for its use in the long-term. While the Council staff proposes that these important needs be addressed in FY2021, these discussions will continue through development of the Collaborative Framework.

**Program Hatcheries**

<b>Nez Perce Tribal Hatchery,</b> <i>Project #1983-350-00</i>	\$40,000	Currently a backup generator is rented to power the surface water pump for fall Chinook acclimation at Lukes Gulch. The project spends approximately \$7-10,000 annually for this rental. Buying a generator vs renting would eliminate rental costs and lower future O&M costs
<b>Sherman Hatchery,</b> <i>Project #1991-047-00</i>	\$75,000	Water Tempering System (Boiler) - Unit was installed in 2012 but failed in 2021. New boiler would implement a closed system to protect the unit and operate more efficiently
<b>Spokane Tribal Hatchery,</b> <i>Project #1991-046-00</i>	\$45,000	Residence Roof - Roof is deteriorating and will eventually present a safety hazard
	\$16,800	Electrical Upgrades - Exhaust fans and louvers in reuse facility, shop exhaust fan and intake, cooling fan in Spring Pump VFD, upgrades to monitoring system. Ambient air temperature in the buildings is causing problems maintaining water temperature, leading to the potential for fish loss
<b>Umatilla Hatchery,</b> <i>Project #1989-035-00</i>	\$35,000	Replace current forklift, which is nearing the end of useful lifespan
<b>Total</b>	<b>\$211,800</b>	

**Program Screens**

<b>Idaho Fish and Game,</b> <i>Project #1994-015-00</i>	\$100,000	Fish screening materials may include but are not limited to the following: Sheet steel (generally 8' by 4') for screens and head gate fabrication; Dimensional steel - for screens and head gate fabrication; 3/32" perforated stainless steel screen (Roll); Gear reduction boxes; Electric motors. Solar components, controllers, timers; Solar panels, batteries; Solar drive motors; Drive sprockets; Drive chains; Pipe and fittings for fish screen bypasses (generally 10" pressure irrigation pipe (PIP); Bearings; Bridge decking (wood planks); Catwalk, handrail steel; Various rubber seals for screens; Paint and primer for metal works.
<b>Washington Department of Fish and Wildlife,</b> <i>Project #1992-009-00</i>	\$100,000	
<b>Oregon Department of Fish and Wildlife,</b> <i>Project #1993-066-00</i>	\$38,000	
<b>Total</b>	<b>\$238,000</b>	