



March 31, 2004

TO: Members Management Group (MMG)

FROM: Rod Sando, CBFWA

SUBJECT: Draft Action Notes for March 16, 2004 MMG Meeting

If there are no objections with five days, these actions will be considered final.

MEMBERS MANAGEMENT GROUP MEETING
Tuesday, March 16, 2004
CBFWA Office, Portland, Oregon

Draft Action Notes - Version 1

Attendees: Amos First Raised, BPT; Laura Gephart & Paul Lumley, CRITFC; Paul Ward, YN; Peter Hassemer, IDFG; Dave Statler, NPT; John Palensky, NOAA Fisheries; Ron Boyce, ODFW; Rudy Peone, STI; Fred Olney & Maureen Smith, USFWS; Rod Sando, Tom Giese, Tom Iverson, Tana Klum, Frank Young, Neil Ward, & Trina Gerlack, CBFWA

By Phone: Lynn DuCharme, CSKT; Richard LeCaire, CTRC; Sue Ireland, KTI; Brian Marotz & Clint Muhlfeld, MFWP; Keith Kutchins, SBT; Mattie Allen, SPT; Mary Verner, UCUT; & Kathie Titzler, CBFWA

Time Allocation:

Objective 1. Project Recommendations	40%
Objective 2. Regional Issues	56%
Objective 3. Annual Report	04%

ITEM 1: Summer Spill

ACTION: The MMG reviewed and provided edits to the draft spill policy letter. CBFWA staff will incorporate the edits and send the revised policy spill letter out to the MMG for approval.

Neil Ward provided the MMG with the RFC's Recommendations on the MFWP Libby Dam Hungry Horse Operations Proposal. The RFC found that the MFWP proposal was technically sound. The CBFWA indicates technical adequacies and efficiencies to propose changes at Libby Dam and Hungry Horse. Neil will prepare a transmittal letter for Members review and consent mail approval.

The MMG discussed briefly the status on the comparison study that was requested by the ISRP and NPCC. No other study exists at this time.

- ITEM 1**
Continued:
Discussion: Ron Boyce gave an update on the schedule for the spill decision. The Federal Executives are seeking comments until April 16. They will make their decision the end of April 2004.
- ITEM 2:**
ACTION: **Project 2000-007-00: Infrastructure to complete FDA Registration of Erythromycin**
 Rod Sando informed the MMG that the NPCC and BPA did not fund this project and pointed out the importance of this issue and their decision not to fund the project.
 The MMG reviewed and discussed the 1/26/04 letter from the ID, OR, and WA requesting BPA to restore funding on project 2000-007-00 and BPA's 03/03/04 letter responding to the three states' request. The MMG agreed this project should be funded and assigned Rod to work with Joe Mentor to draft a letter explaining why funding the infrastructure to complete FDA registration of Erythromycin project is important and to reconsider their decision. The draft will be sent to the MMG and Members for review and approval for the NPCC distribution.
- ITEM 3:**
Discussion: **FY 2007-2011 BPA Rate Case**
 Tom Giese and MMG discussed the four step process for estimating F&W needs and costs due June 2004. The MMG provided comments to the conceptual basis estimating F&W costs document. Tom G. and Tom I. are meeting with Doug Marker and Bob Austin on March 18th to introduce the revised four step process document and discuss the rate case assumptions. An update will be provided at the 4/27/04 MMG meeting.
- ITEM 4:**
ACTION: **Future Budgets**
 The MMG reviewed and provided edits during the meeting to the draft CBFWA letter to Doug Marker, NPCC acknowledging his request that CBFWA help in the development of the FY05 F&W budget recommendations and FY06-07 F&W budget forecasts. Included in the draft are the Members concerns regarding CBFWA's role, future funding, and a credible process. The MMG approved the letter and staff will send the letter to Doug Marker. The NPCC, BPA, and CBFWA staffs will discuss basics for the FY05 F&W budget on 03/19/04.
- ITEM 5:**
ACTION: **Fish and Wildlife Program Implementation**
 Tom Iverson asked the MMG for comments on the draft CBFWA analysis of the NPCC decision and recommendation for correcting the FY04 SOW budget that was sent on 2/27/04. The FY04 budget is \$15M short and the FY05 & FY06 budgets are not resolved.
 The MMG reviewed and provided comments to the draft letter to Judi Danielson, NPCC requesting that BPA fully fund the FY04-06 F&W budget. The BPA budget reports and adjustments should be posted on their website. Tom I. will incorporate the edits and send the revised draft to the Members for consent mail approval.
 Tom I. discussed the history of the draft BPA Fish and Wildlife Funding White Paper with the MMG. The white paper will include 26 years of data of BPA's

F&W program funding, total expenditures, Treasury F&W credits, accurate report of rate payers' percentages, and foregone revenue opportunities. The MMG assigned Tom I. to true up the white paper with accurate numbers to be reviewed by the MMG prior to the presentation at the May 2004 NPCC meeting and possibly reporting it to Congress and the region.

Additional items discussed:

The MMG requested the status on the CBFWA contract. Rod reported that the \$1.2M contract is unsigned, SOW conflicts unresolved, and funds that opened up for Mainstem Subbasin Planning are unavailable. The Members are concerned about funding for travel to participate in the BPA, NPCC, and CBFWA processes. Kathie Titzler reported that there is no travel budget after 1/31/04 and no cost time extensions after 3/31/04. The MMG requested a flexible travel process to fund the Members needs. Kathie will review the \$1.2M contract, travel budget, meeting costs, and Members travel costs. Kathie and Jann will work on an administrative process for Members travel requests and report back to the MMG.

The MMG discussed the benefits of CBFWA working with the region and encouraged all F&W Managers to write support letters to fully fund CBFWA. Paul Lumley told the MMG that the Utilities considered CBFWA an efficient and productive agency. Tom I. will take copies of the support letters to the Utilities and present them at the 3/17/04 meeting.

ITEM 6: Long Term BPA Fish & Wildlife Funding Agreement

Discussion: Tom Giese told the MMG that the Tribes' are working on the draft letter to BPA and NPCC urging cooperative development of a new funding agreement. Tom G. will send a copy of the draft letter for the MMG to use as a template to send to the BPA, COE, BOR, NOAA, USFWS, & NPCC supporting and the need for an MOA.

The MMG reviewed and provided comments on the draft "Principles Developed by the 13 Columbia River Basin Tribes for a Long Term BPA Fish & Wildlife Funding Agreement" to Paul Lumley. Paul is accepting comments until 3/31/04 and will give a progress report at the ATNI meeting May 17. The MMG is invited to attend the meetings scheduled for Thursdays the day before the NPCC meetings to discuss the long-term funding agreement.

ITEM 7: Annual Report

ACTION: Neil Ward asked the MMG to review the first draft of the 2003 Annual Report and look for errors in subbasin level data, check budget numbers for accuracy and send comments on the sub chapters to Neil by April 16, 2004. Amy will burn CDs of the first draft and send them to the MMG, BPA, and NPCC for review and comment. The draft Annual Report will be revised and sent out for Members approval and distribution to the region.

ITEM 8: Subbasin Plans

ACTION: Tom Giese updated the MMG on the NOAA Fisheries process for the subbasin recovery plan work shop and reviewed the Critical Path to Recovery matrix handout. NOAA Fisheries recovery plan time line is 2005-2006 with various tasks of what products need to be completed to be delisted. The technical efforts and policy decisions working groups are collaborating at the same time.

Tom G. reviewed the NPCC review and adoption process for subbasin plans schedule handout. The subbasin planners are required by contract to have draft subbasin plans in by May 28, 2004 and some projects are on schedule.

May 28, 2004 the draft subbasin plans are due

August 12, 2004 the ISRP and Public comments are due

Aug. to Dec. 2004 – NPCC adopts draft amendments and Public response time/fix it loop

Dec. 2004-Jan. 2005 - NPCC considers all information and comments and adopts final recommendations.

Tom reminded the MMG that this is a new 2000 Program of amendments with fall outs from the 1994 Program. Your recommendations should cover all your subbasin needs, like hatcheries, feasibility, and objectives and strategies that are tied to the assessment work. Consult with your co-managers and be sure your subbasin plans are in agreement and all your differences are resolved because the NPCC will make their own decision without regard to your recommendation.

The MMG requested that Tom G. do a comparison of the 1994 Program and 2000 Program and create a list of fallouts for F&W Managers and MMG review and guidance.

ITEM 9: PNAMP

ACTION: The MMG agreed that the draft letter to the Federal Caucus from CBFWA supporting the formation of the Pacific Northwest Aquatic Monitoring Partnership (PNAMP) and Relationship of the CBFWA and CSMEP Project to other RM&E and Data Management Efforts in the Columbia Basin document will be sent to the CBFWA Members for consent mail approval.

ITEM 10: CBFWA Technical Conference

ACTION: Pete Hassemer and Tom I. reviewed the draft technical conference mission statement & agenda. The steering group decided to add power status to the fish status to develop a conference that valued the whole region. The title of the conference has change to the CBFWA Columbia River Salmon, Steelhead, and Power Status Conference. The conference date and agenda will be discussed at the March meetings with the Public Power Council, Steering Group, and other interested parties. The conference date is not confirmed nor is the agenda set. Pete and Tom will report back to the MMG with updated information.

Frank Young discussed the BPA RME Implementation Matrix narrative & spreadsheet by Roy Beaty and requested permission for CSMEP to engage in the process. The MMG gave clearance to work with BPA through CBFWA/CSMEP.

ITEM 11: BPA's Power Net Revenue Improvement Sounding Board Meetings**Discussion:**

Tana Klum reported that the Power Net Revenue Improvement Sounding Board was created several months ago by BPA. The purpose of the Sounding Board is to find \$100 million of cost savings or revenue enhancements in FY 04-05 that would avoid triggering a Safety Net Cost Recovery Adjustment Clause (SN CRAC) in FY 05. The fish and wildlife costs are one of the 10 categories being explored. At the February 25th meeting, the Sounding Board has realized a \$60 million reduction in "net interest expense" by refinancing some BPA debt. Another \$10 million in savings have been identified throughout the other categories. There was general agreement that no reductions in the fish and wildlife category will be pursued beyond BPA's current direct fund spending cap of \$139 million. Although the Sounding Board agreed they are not the decision forum for the spill issue, they did acknowledge that there is an opportunity to generate additional revenue if spill is curtailed or eliminated in 2004. The concept of combining spill reduction, offset funding, funding for associated research and "make up payments for the cash lag problem" was considered for future discussion. The Sounding Board is meeting with Steve Wright to provide progress to date on the \$100 million. Tana will brief the MMG on the outcome of that meeting by memo. The Sounding Board hopes to conclude its findings by June.

Next Meeting

The next meeting is scheduled for Tuesday, April 27, 2004 from 9:00 a.m. to 3:00 p.m. at the CBFWA Office, Portland, Oregon.