

DRAFT

April 28, 2005

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Dear Sirs:

The purpose of this letter is to clarify the role of Columbia Basin Fish and Wildlife Authority (CBFWA) staff with respect to participation in the Budget Oversight Group (BOG) and to provide the position of CBFWA members on the within-year budget allocation process. The BOG was formed in 2004 as a mechanism for Northwest Power and Conservation Council, Bonneville Power Administration and CBFWA staffs to monitor the implementation of BPA's Integrated Program Budget in an open forum with consistent and transparent presentation of project budget information. The CBFWA agreed to host a web page to insure adequate dissemination and tracking for all Integrated Program Budget information. It is our understanding that the BOG is now changing its mission to include decision making on the priority of distribution of unallocated funds among within-year budget adjustment requests for project funding. We believe that this project funding allocation role is inappropriate for the BOG for the following reasons:

- 1) the BOG members do not have the project level information and experience necessary to make fair and informed decisions regarding the full list of requests,
- 2) allocation decisions should consider all projects within the Program that have submitted requests during the start-of-year process (see enclosed CBFWA letter dated 11/15/04 regarding NPCC's flat funding policy), as well as projects making requests in the within-year process, and;
- 3) the CBFWA has recommended in the past a formal within-year process for consideration by NPCC and BPA, that appropriately included the fish and wildlife managers in the prioritization process (see enclosed CBFWA Guide to Within-year Modification Requests – August 2002).

If the BOG becomes a de-facto decision making body for prioritization of funding requests, the CBFWA staff can no longer participate in that body. The CBFWA staff may continue to monitor the meetings in order to report BOG activities to CBFWA members.

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April 28, 2005
Page 2 of 2

Finally, it is not clear how BPA is determining the level of unallocated funds available for redistribution within the Program. At the current rate of spending in FY 2005, and considering that the Program was under-spent by \$7 million in FY 2004, it appears that BPA could honor all current within-year requests without risk of overspending the \$139 million average during the current rate period. We request that BPA provide a spending projection for FY 2005 including funding available through the remainder of this fiscal year for reallocation among projects.

We hope that this clarifies our position on CBFWA staff representation on the BOG and we look forward to BPA's response to our FY 2005 spending projection request.

Sincerely,

Tony Nigro, Chair
CBFWA

Enclosures (2)

CC: CBFWA Members
Budget Oversight Group
Council Members

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