

<b>Lower Snake River Compensation Plan – Fish Facilities</b>										
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY97-01	FY02-06	FY07-11
Estimated Costs	\$17.9	\$18.8						\$12.4 <sup>1</sup>	\$17.05	
1) O & M Costs only			\$17.1	\$17.9	\$18.8	\$19.7	\$20.7			\$18.8
2) Initial BPA FY 07 – 11 Forecast			\$18.9	<b>\$19.8</b>	\$20.7	\$21.6	\$22.5			\$20.7
3) LSRCP Forecast <sup>2</sup>			\$20.7	\$21.1	\$21.5	\$22.2	\$22.9			\$21.7
<b>Opportunities to increase efficiencies or reduce costs</b>										
List Examples: -Use purchasing power of multi (22) facilities to leverage volume discounts for items such as food and other commonly purchased items. -Exploration of option of direct payment of items subject to indirect charges by contractor. -Potential for energy efficiency gains at some facilities following replacement or modification of equipment i.e., pumps, lighting, etc. <sup>3</sup>										
<b>Major Risks</b>										
List Examples -Requirement for new facilities (Capital) -Requirements for major modifications of existing facilities (Capital or Expense) -Breakdown of major equipment, i.e., water supply system(s) due to age and possibly deferred maintenance (Expense)										
<b>Drivers of Change</b> FY 02 – 06 Vs FY 07 - 11										
List Examples - FY 02 – 06 Consultation with NOAA Fisheries on Section7 and Section 10 permits - FY 02 – 06 US v. Oregon - FY 02 – 06 Biological Opinion(s) - FY 07 – 11 Aging Facilities - FY 07 – 11 Personnel Costs including wages, health insurance, etc. - FY 07 – 11 Increase in indirect rates, both USFWS and co-operators - FY 07 – 11 Consultation with NOAA Fisheries on Section7 and Section 10 permits - FY 07 – 11 US v. Oregon - FY 07 – 11 Biological Opinion - FY 07 – 11 Hatchery and Genetic Management Plans										

<sup>1</sup> Actual average. FY 97 – FY 2000 Funding through appropriations and FY 2001 BPA direct funding letter agreement.

<sup>2</sup> Includes equipment cost estimates for non-reoccurring and deferred maintenance of facilities

<sup>3</sup> Replace water well pumps with energy efficient models these indicate optimum return on investment

- FY 07 – 11 Potential litigation
List Fundamental Changes FY 02 – 06 Vs FY 07 - 11
-Increased fixed costs (i.e., energy, personnel wages and health benefits, fish food, and general cost of living increases) -Need to address deferred maintenance resulting from inadequate past funding (long term maintenance plan and funding estimates) -Non-routine maintenance from ageing equipment and facilities -Increasing costs of materials such as steel, concrete, wood and fuel

List Fundamental Changes FY 97 – 01 Vs FY07 – 11
- FY 97 – 01 Not funded directly by BPA, Congressional Appropriations budget flat lined. <sup>4</sup> - FY 97 – 01 Spending authority allowed carry forward funding to accumulate to address unanticipated funding needs between years - FY 97 – 11 Spending authority from Congressional Appropriations available to address unplanned events - FY07 – 11 Funding Under Direct Funding MOA allowed for annual funding increases. - FY07 – 11 Provisions within MOA allowed for splitting of “savings” between BPA and USFWS – LSRCP Program - FY07 – 11 Spending authority from Congressional Appropriations available totals approximately \$2M yet direct funding agreement limits spending to amount agreed upon in MOA.

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<sup>4</sup> Direct funding from BPA began with a letter agreement for FY 01.