

Budget Ad Hoc Group Conference Call Summary 2010

Dennis Kubly, BAHG Chair

The BAHG met by conference call on February 18, 25 and March 5, 2010. Subjects discussed included Annual Operating Plan development and the role of the GCDAMP, hydrograph recommendations and the role of TWG and AMWG, the 2-year non-rolling budget process, and the FY 2011-12 budget and hydrograph. Two of these subjects, the AOP Process and the hydrograph were not discussed in depth, because we think that discussion needs to occur with the full TWG, rather in the ad hoc group. Reclamation did agree to make a presentation on the AOP Process and the agency's role in hydrograph development, and as such there is a presentation scheduled for the morning of March 16 at the TWG meeting. There also is time on the TWG agenda for a hydrograph discussion and possible recommendation in conjunction with the budget discussion and recommendation, also on the morning of March 16. What follows, a compilation of notes from the calls, is lengthy; I will distill it more at the TWG meeting.

AOP Process (see attachments USBR 1997..... and AOP Flow Chart)

AOP/BOR/AMWG Flow Forecast Table. The call began with a discussion on AMWG's role in the AOP process. Steve Mietz felt it's an important issue to include in discussions concerning the flows. Dennis said he doesn't understand the connection between the AMWG and AOP process and didn't have a good answer for where this starts with the BAHG or TWG. Cliff said he sent comments to Shane that the hydrograph is not a BAHG function and that the group needs to accept what Reclamation gives them. Norm agreed and said a discussion needs to occur at the next TWG meeting so they can deal with the process and timing. Shane said it's on the TWG agenda and he intends to do more research so he can get a better idea of what the TWG's role should be. Leslie reminded the BAHG that it is not up to them to make a recommendation and the group doesn't need to reinvent the process. Glen said the TWG has been involved in the past and suggested having someone make a presentation on the AOP process at the next TWG meeting. Dennis said he could check with someone in Reclamation's water operations group and thought that Tom Ryan may even be available to make a presentation to the TWG. Leslie stated that because this was brought up by Rick Johnson at the last AMWG meeting (Feb. 3-4, 2010), that the Secretary's Designee should respond to him.

Although the BAHG determined the AOP Process is outside the ad hoc group's purview, there were materials provided to the BAHG that may be of interest to the TWG. They are provided as attachments to the email conveying this information.

Hydrograph Process:

Reclamation develops a probabilistic hydrograph (monthly dam releases) scenario based on 24-month modeling of projected inflows and reservoir storage. Tom Ryan will provide background on this modeling process and how it is used in developing the Annual Operating Plan for operation of Colorado River system reservoirs.

2/18/2010 Comments

Comments on Development of FY 11 (and 12?) hydrograph recommendation for TWG. Dennis said that Reclamation does a 24-month study that looks at storage and projected monthly allocations. From those projections for monthly allocations are developed and daily flows are factored in under the 1996 ROD and adjusted for the 2008 ROD. He said it was decided to run steady flows in September and October from 2008 to 2012. He mentioned the document received from Grand Canyon Trust which depicts the AMWG and AOP process. Leslie asked why this was being discussed by the BAHG. Dennis said it was presented at the last TWG meeting by Rick Johnson. Shane said he wasn't sure what to do with it and said that Tom Ryan told him that it's appropriate for TWG and AMWG to make a recommendation on the

hydrograph, although Shane said he wasn't sure how it fits in. Dennis asked the members what they wanted to talk about and how to pull this process into recommendations to Reclamation. John said since it relates to the HFE protocol, it has implications for work to be done and that TWG should present its assumptions to the AMWG. Dennis said Reclamation will continue to do modeling and project what the hydrograph will be. If there are proposed deviations, this is a starting point. Leslie said discussing the hydrograph is outside the BAHG's scope at this time and that they need to start with the 24-month study. Norm said the hydrograph piece needs to be developed. Dennis said if they look at the projections and projects that could be affected by a hydrograph and then look at the amount of certainty, that could lead them to those projects that need flexibility. John said the BAHG shouldn't get into a large discussion on this. Dennis said all they can do is identify probabilities. Norm said the recommendation should be that the program needs to decide where the hydrograph comes from.

Budget Process:

Shane Capron has developed a 2-yr non-rolling budget process and revised the plan in response to BAHG member comments. The most recent version, dated March 2, 2010, is posted to the Reclamation GCDAMP web page at (1): http://www.usbr.gov/uc/rm/amp/twg/mtgs/10mar15/BWP_Paper.pdf. An appendix to the document, depicting Upper Colorado River Recovery Implementation Program schedules for implementation of their 2-yr non-rolling budget is at (2): http://www.usbr.gov/uc/rm/amp/twg/mtgs/10mar15/UCRIP_dates.pdf.

Comments from the minutes of the conference calls follow:

2/18/2010 Review of Proposed Biennial Budget Process Paper. Shane discussed the biennial budget process paper and mentioned the Colorado RIP budget timeline (see link number 2 above). He said the biennial budget process came from an AMWG meeting in 2004. He tried to put it in one paper as a starting point but one thing not in it is the outyear process. By having a 2-year budget, then the TWG doesn't need to spend a lot of time the second year.

3.8 Criteria for Review. Shane feels this will be the biggest issue for discussion and particularly the timeline. He said the middle of the second year is when changes would be made and referred to Table 1. Kurt said he didn't see how this would work for years 3-4 and Cliff said he was trying to figure out how to do outyear planning. Shane responded that this method keeps the TWG from having to focus on year 2 but just do revisions with a budget to AMWG in May or early June. Kurt said he wanted it folded in and referenced Shane's statement of having a 3-year, 5-year program where core monitoring is done. If time is spent on year two, Kurt said it seems like a good policy to look at years 3, 4, and 5 and reduce workload in year 1. Dennis said they chose a 3-year look for the rolling 2-yr budget process because that is the timeframe that the federal agencies use for their budget development. The 5-yr outlook in the 2-yr rolling budget process was to do strategic planning in conjunction with strategic plan and implementation plan development. Since 2012 is the end of our existing compliance, it might be a good idea to look at our first 5 year outlook with MRP revision in 2012. He said there has been more talk about management actions and there likely will be a need for a document that addresses that. Dennis said 5 years was in line with strategic planning. Norm said there is no process for what to do with the other actions and that the shorter term actions need to be included. Shane asked if anyone disagreed with adding the 3 and 5-yr outlook to the document. No one disagreed. Shane added that if the focus is on unfunded projects, then there is merit in having the BAHG engaged. Mary questioned what dollars would be available for compliance if the federal agencies do mechanical removal. Dennis said discretionary funds will diminish so higher priority items will be funded. Dennis recalled that some AMWG members had said they would like to lobby for more appropriated dollars from Congress but that hasn't occurred. Cliff suggested the Secretary should find money from the Department and then determine how to lobby. Shane said he would work with Dennis on adding another component for a 3-year outlook for unfunded initiatives. Mary said the BAHG could make a list of things that might happen. Dennis said there are going to be protocols developed for the HFE and more discussion on non-native fish control. These are two things the BAHG didn't know about in advance. Shane reminded the group that things will pop up and that year 2 they will go through a review process and will have to react to changes. Mary said the AMWG needs to be told what needs to be in place to have a successful budget. Shane said core monitoring determinations

would be done in 3 years and that changes in the program will come from AMWG and that information needs to be pulled in as well. He stressed the need to be reactive to science issues but that first they need to agree on a process. John said core monitoring is currently set for 3 years but different ones would come on line at different times and some things would be fixed. Dennis pointed out that in the rolling 2-yr budget process there was an understanding that the core monitoring part of the budget (estimated at 40-60% of the science budget) would be fixed. His question is whether it is wise to move forward incrementally, incorporating the fixed component of core monitoring as we go, or to wholesale transition to a fixed budget in FY11-12, which are years with high uncertainty in actions that will be proposed.

2/25/2010 Comments on Biennial Budget Process. Shane said he received some e-mails and two issues were brought up: 1) criteria in Section 3.8, and 2) 3-year budget process. He was agreeable to adding more text as needed. Norm said the budget needs for this program need to be identified. Dennis said they need to look at the priorities that have been defined and also moving from experiments to management actions. Shane asked if there were any comments on the four bullets listed under Section 3.8:

- Scientific merit or requirement ...
- Administration needs ...
- Unfunded projects and carryover funds ...
- New initiatives ...

Comments:

- AMWG doesn't decide when EAs are done. Need to decide what an admin need is. (Hamill)
- AMWG should consider admin needs. Other agencies will have part of AMP budget. We won't be able to plan on a 2-year budget cycle. (Henderson)
- Need to consider projects that come in higher which will require budget modifications. Maybe these should be described differently. Suggest the second bulletin be change. (Palmer)
- Doing an EIS would impact the budget and have implications on the AMP. There isn't good long-range planning. Maybe the priorities are stale since the Strategic Plan was done 12 years ago. It's hard to lay out the science budget. (Hamill)

Shane asked if there were any editorial comments on Section 3.9 and said it could be discussed further on the next BAHG call. No one disagreed with accepting this section.

3/5/2010 Comments on the 2-Year Non-rolling Biennial Budget Process:

Biennial Budget Process. Shane said he received comments from a number of people after the last conference call and tried to incorporate into the revised draft. He said there were a lot of editorial changes but the big changes were the addition of Section 3.7 that Dennis drafted on the hydrograph development and there were a variety of comments on Section 3.9. He thought one of the things the group was struggling with was the process of trying to make changes in the year two budget and how do you do that and how to integrate with AMWG. He wasn't sure how not to take the paper back to the TWG and then up to the AMWG so he modified the table and altered the year 2 to basically mirror the year one process. He said it looks big on paper because the time frames are built in for various reviews. It would come back to the TWG in June and then to the AMWG for their August meeting. He tried to build in the language from the table mirroring the sentiments and the criteria of Section 3.9. Even though the process looks long, it's his hope they would use the criteria and not spend a lot of time on the process in TWG meetings or using Reclamation's or GCMRC's time that isn't needed. He feels a lot of the meetings would be relatively short but it builds in the time frame and schedule that allows people's concerns to be met and if there are new initiatives, they have a chance to go through TWG, up to TWG, and then back around again. Given that there is a lot of time scheduled for today's call, the TWG will discuss at their next meeting, the AMWG will see it first on the webinar conference call, and so the TWG will have more time to work on the budget through the summer before a final recommendation is made to the AMWG at

their August meeting. He asked if a lot of discussion could be curtailed on today's call and have more discussion at the TWG meeting and then move forward with the budget discussion.

Norm said he remembered the AMWG motion was to try and develop a process for this 2-year non-rolling budget at the same time the 2011-12 was being considered so the two processes are being done at the same time. He asked if there was a change in the process after it has happened, then what happens. Shane said he would envision, based on what occurs at the TWG meeting, he could make an initial presentation to the AMWG on how the TWG is walking through the process. Norm said he was concerned about the hydrograph and feels that after some initial discussion, it may alter the timing being proposed in the budget process. Shane said that might be something important to bring up on the May AMWG conference call. He said that's the first time to review it. He said the AOP/hydrograph issue is complicated and he's not sure the best to present it other than the way he has it to the extent that they're comfortable building in the hydrograph process because he knows there is more to it than that and people will want to discuss it. Norm expressed concern about the timing issue, whether the hydrograph discussion needs to precede or be developed before the group gets into the budget discussion and didn't think a 2-year budget could be implemented if that's got to be part of it and it's not being done.

Dennis said it is difficult to develop a process and a product at the same time, but he feels one saving grace is that the year 1 isn't that different from the old year 1. If we were starting with the year 2 without the process, he didn't know how it would be done. Shane concurred and said this needs to be in place by September or so as they enter the next budget cycle so they all know what the ground rules are otherwise they're starting over again. Dennis said the agenda was modified to include more time on the budget discussion and Reclamation's 24-month projection for a hydrograph.

Draft FY 2011-12 Budget:

The draft GCDAMP FY 2011-12 budget was sent out to BAHG and TWG members on March 4, 2010. Please see the accompanying memo from John Hamill for particulars. The draft budgets assume 0% CPI for FY 2011, but this may be changed as we move toward the final draft if an increase in CPI is warranted (the 12-month CPI ending in January 2010 was 2.6%). The FY 2012 draft budgets assume a 3% CPI, in line with the long-term average.

The notes from the budget discussion are below. As was the case for the last budget, major sources of discussion were the allocation of funds for mechanical removal of nonnative fish and use of the experimental (flow) fund. If budgets follow the existing GCMRC recommendation, there would be funding for one mechanical removal trip in FY 2011 and none in FY 2012. The experimental fund would be used again for other purposes and would have \$239,044 remaining at the end of FY 2012.

WAPA is proposing a new start economics project/approach for the FY 2011 budget (attached as file: BAHG Econ proposal 03-04-10). See discussion below under Goal 10.

BAHG Notes on FY 2011-12 Budget

3. Review and Prioritization of FY11 projects and TWG recommendations for project consideration.

Dennis reminded the group that the FY10-11 budget was passed and said there was a list developed from the last TWG meeting to be considered for FY11-12. He asked how much of a role does the BAHG want in building a budget and not just reacting to a draft put forward by GCMRC and Reclamation. Shane said some would be new initiatives. John said they have looked at some projects but haven't looked at new priorities and trying to reconcile where they fit. He added some projects are funded at the same level. He said their base budget was reduced by \$310,000 and the reduction goes through FY11. He has assumed a 0% CPI rate for FY 11. They still need to find \$400K. Dennis asked what the schedule was for the draft budget. John said they will e-mail the draft budget to the BAHG by March 3. The BAHG will receive on March 4 and discuss on March 5 with the hopes of developing a recommendation to the TWG at that time.

John provided updates on the items identified from the TWG meeting held Jan. 21, 2010:

(Time: 1:49:31 of 2:45:37)

Issues to Consider	John Hamill Responses
Natal origins of trout paper	<p>This project is not funded but there is a work activity laid out for work that is going to be done under that category under the current budget. It involves taking some of our existing, like Matthew's time and summarizing what we know and trying to get that published in some form. There is a commitment to do that. It's being covered within existing costs or salaries of people that are on staff. (Refer to pages 92-93 of the workplan, Natal Origins of Rainbow Trout in Grand Canyon). The workplan also discusses some other activities like nearshore ecology, mechanical removal project which will yield data relevant to this issue of natal origins and so those things are going to be going on but as an interim measure, we were going to synthesize what we currently know and get that published. There are other ongoing activities that will help inform this. I think there have been additional discussions about actually starting to do some field work that would more directly address that issue of natal origins. We looked at the deferred projects in the current budget for FY10-11 and some new things that seemed to be on our radar screen like DFCs. I think there is a need for some budget support for DFCs. We created a list of various initiatives, including all of these, and then we've gone through and prioritized some of those and figured out where they fit within the existing program. What we haven't done is look at how we can find money to do these, what would we have to cut in order to accommodate these new things and what is the relative priority of these versus the things we would have to cut. We're in the process of trying to reconcile all of that right now. Some of these projects are funded at some level and some aren't.</p>
Consider new initiative to study trout movement dynamics in application to future management decisions	<p>There are active discussions going on within Interior about considering this initiative and application to future management decisions. I'm waiting for some direction from Reclamation and FWS as to how they want to proceed in that arena, but we could actually potentially get something off the ground in a pilot study on that this year depending on what direction we receive.</p>
Consider future of sediment modeling projects/ continuation, handover of models to GCMRC (evaluation)	<p>There is a fair amount of money in the FY11 budget for maintenance and ongoing support of the various temperature flow and sediment models. This is the project that Scott Wright is heading up. It's a multi-disciplinary effort. There is money in the budget to continue to maintain those models. The question is going to be is additional research and development still needed. Our sense is that additional development is still needed. There isn't a lot of money in the budget for that. We're looking at potentially to continue the development effort to refine and further test some of these models, probably \$100K would be needed to do that beyond what's in the current budget. There is about \$150-160K in the current budget for that item now, but it's just for maintenance and not continued development.</p>
NSE/FSF two FY2010 projects (temperature monitoring, thermal imaging)	<p>The FSF unfunded projects, temperature monitoring is something that is a fairly low cost item and involves hiring a technician to go down and maintain some thermisters in backwaters to better develop relationships between mainstem temperatures and backwater temperatures. I've committed to the TWG and AMWG that I would try to find the money to accomplish in FY10 and so I intend to do the temperature monitoring in FY10. Thermal imaging is a part of our recommendation in our FSF Science Plan. This would involve remote sensing, two flights to gather thermal imagery to monitor temperatures. That's about an \$80K investment, but there is no money for that currently. Scott Wright is developing a model to predict what backwater temperatures would be and this monitoring data that's being proposed to be collected here would help calibrate that model.</p>
Results of the economic value workshop and phase I	<p>We're waiting to see what the results are there but to implement Phase I is going to be between \$70-100K. I haven't seen the report on that yet but it should be coming out soon.</p>
Clarity on implementation of nonnative control	<p>We don't know what to assume on that at this point. It's going through a lot of discussions between FWS and Reclamation now. It has huge implications for the budget in terms of what could be saved. If non-native fish control isn't done, we could save \$300K. If there are whole bunch of trout down there, you could have</p>

Issues to Consider	John Hamill Responses
	that be as high as a \$600K project. Right now it's funded at \$300K for FY11.
Funding for compliance documents	This is an unknown to me. I don't know what the strategy is for funding a lot of these compliance activities, like the non-native control compliance, the HFE protocol, the implementation of a long-term experimental and management plan EIS. I don't know where the funding for that is going to come from.
Add core monitoring to the budget process paper discussion	This is not a budget item.
Consider the 3-year and 5-year project projection process in the budget process paper discussion	This is not a budget item.
Review unfunded projects from FY2011	There is a part of the workplan that talks about deferred projects and we've looked at those and are considering if there is a possibility of getting those done.
Consider ecosystem modeling in FY2011-12 budget	There is money in the FY11 budget to continue to work with Carl Walters and refinement of some of the ecosystem models that are specifically focused on aquatic resources. There will be a workshop on that in April but there is kind of a base level budget for that. There may be some need to expand that. I think it's a reduced level in FY11 over what it is in FY10 so there may be a desire to put some additional funding in ecosystem modeling. Larry Stevens continues to bring up the need to integrate the terrestrial environment more into this modeling work that we're doing.
Consideration of management procedures for decision processes/decision support tools assisting policy decisions	I think this was a suggestion from Dave Garrett that we need to look at better tools for doing trade-off and risk assessment. My personal opinion is a good place to do this would be in the context of development of development of desired future conditions as opposed to having a project that looks at let's go develop some decision support tools. I think trying to develop those in the context of developing DFCs would be a good way to go.
Guidance on future experimental plans, i.e., new LTEP processes.	This gets back up into the compliance process and I don't know what the funding implications are and where the funding would come from.

Dennis asked if there was anything to be gained by discussing what's coming in FY11. He feels they will pretty much default to the process they've used in the past. He asked John about the anticipated delivery date for their draft budget.

Mary asked about the deferred unfunded projects. John said they're listed in Appendix B in the workplan that summarizes a detailed write-up in some cases and in others as placeholders for projects. There were 6-8 projects that were deferred (arthropod monitoring, looking at 1984 aerial imagery, looking at sandbar volume in areas back in 1984 to help inform the DFC exercise, hyperspectral imagery to get down and do better monitoring of specific plant species like tamarisk in the canyon, in FY11 there was the \$200K contribution deferred from the overflight fund). Shane said these can be found on lines 150-156 in the budget table. John said he thought the BAHG should look at these to see if they can be funded but recognize that they're starting at \$400K in the hole and it will be hard to add new items. John said the last time they did overflights it was about \$600K but they've been banking about \$200K a year so they're putting away a little more than they need. He thinks they can skip one year and get by but they're going to have to find a way to get it back in the budget in FY12. He doesn't feel they can skip two years otherwise they will have to push back the date. He said they may want to think about funding \$100K in FY11 and \$100K in FY12 to make it easier to absorb in the FY12 budget.

Draft Budget Discussion. Dennis asked if everyone had the draft budget spreadsheet in front of them with the goal of looking for a broader consideration and try not getting down into an individual project unless it's really important. He asked John Hamill to comment on how he saw the two budgets working together. John said he provided a cover letter which basically describes the overall assumptions and constraints that GCMRC was faced with and used in development of the budget. He said all of GCMRC's major shifts in funding and recommendations for claims they were able to fund as well as items that had to be deferred. He said things captured on the spreadsheet that weren't covered in his memo is a list of

the deferred projects which begin on page 7. He feels the group should spend some time talking about those.

Reclamation's Proposed FY2011-12 Budget. Dennis referred to the four columns which refer to 1) FY10 Gross budget including the FY09 carryover and -1.3%, 2) previously submitted FY11 budget which assumed a 3% increment on the FY10 budget, 3) FY11 proposed budget factored at .0% CPI. He said the CPI for the last 12 months was a positive 2.6% but it's really hard to tell where the economy is going right now. They decided to start at 0% and then if in the June timeframe it looks like there will be more money than that, they can have an additional discussion about where those dollars would be added. 4) The FY12 budget was based on a 3% CPI rate under the presumption that inflation will probably begin to return with increased costs, interest rates will go up, etc., so he said it was probably justified to use the 3% CPI rate.

He reported there are no new starts in Reclamation's portion. However, they did make one comment to GCMRC that if FY12 is as big a compliance year, as some people speculate, they may have around \$150K (including carryover). In the LTEP, they set aside \$250K of power revenues and \$250K of appropriated funds. They were spending at a rate that they probably would've used it up. He said this is their best estimate at this time but in the second year when they talk about the criteria for an "unexpected" addition to the original proposal, compliance might be one of the things that drives them in that direction. As Dennis reminded people there is the HFE protocol development coming up and a question mark on non-native fish control which both may require some compliance work. Mary suggested putting a note in the spreadsheet indicating those two potential projects. Dennis said the workplan would also include more documentation.

Dennis said there was supposed to have been a transfer of funds from the Experimental Flow Fund, but it's his understanding that those funds won't be transferred until we know more about the mechanical removal decision and at that time the transfer would occur. That applies to both the EFF carryover funds and the non-native fish suppression contingency fund. Regarding the EFF, Norm asked if there was any money from the FY12 budget that is coming out of that year's monies or whether this was just carryover from the previous years. Dennis said on the non-native fish contingency fund the FY09 and FY10 funds were both scheduled for transfer. He recalled it was part of the EFF for those two years and asked GCMRC what their recollection was. John said he thought that was correct. Dennis said it was \$255K out of the first year and couldn't recall what it was for the second year. Norm said he was confused by how the experimental funds were being used and sees it as being morphed into a "free for all" for projects. John said they're assuming contributions are being made in both FY11 and FY12 in the amount of \$500K a year and in GCMRC's budget they have proposed a number of expenditures out of that fund to support experimental activities. Norm asked for the total in the EFF line item. Shane directed him to look at line 164 which is what would actually be in EFF, the one GCMRC has been taking money from. Barbara said line 164 is the running balance for each year. She said column G would capture the \$493,500 from Reclamation, less the \$611,000 on line 163 that GCMRC projects to spend, leaving a balance of \$29,943 with the carryover from FY10. Norm said he was going to bring up a process question at the next TWG meeting as to what the EFF is supposed to be used for because it was his understanding it was to be used as a contingency fund for experimental flows and research with regard to that and now he sees it as SCORE reports, syntheses, and other things. If the fund isn't dedicated to a specific thing, he wonders why they should have the fund. Dennis said in FY09 the \$500K was transferred largely for the data analysis, the report writing, the synthesis for the 2008 HFE so they started in FY10 with all the past allocations expended.

Norm asked why the appropriated dollars for the tribal cooperative agreements have not been CPI'd. Dennis said there was a letter written by then Deputy Secretary Lynn Scarlett that says to go ahead an increment but because these funds are held in a revolving fund and the tribes bill Reclamation and then Reclamation bills the fund. The administrators of that fund in DOI said they would not allow the funds to be incremented by the CPI because the tribes aren't expending all the funds they get and so DOI finds it very hard to justify taking more money from the agencies and putting it there to sit unexpended. Dennis

pointed out that the Tribal Liaison position is not in the current budget but he understands it will also come from the DOI agencies so he anticipates an additional line item.

GCMRC's Proposed FY2011-12 Budget. John referred people to his March 3rd memo and said what they are proposing for FY2011-12 is about 10% less than what they proposed for FY10. As a general rule, they try to respect the core monitoring projects and try to provide funding for the ongoing core monitoring program as a first priority and allocations of funds. Because of the CPI changes, they are starting with a deficit of \$400K that they had to make up in the FY11-12 budget. There were also very few new starts but would need some experimental funds to work on an evaluation of alternatives for the mechanical removal of RBT looking at some upstream alternatives and some research into the feasibility of different options for mainstem mechanical removal. They made a number of assumptions and said their agreement with Reclamation expires at the end of FY2010 so they do not have the ability to carry over money from FY10 to the FY11 budget. He said last year they ended up with over \$1 million in carryover from FY09 into FY10 but that isn't an option with the expiration of the agreement in FY10. Even though they have a 0% CPI for FY10 and FY11, their salaries generally go up. They used their OPM salaries to be able to estimate their salary costs for FY11 and FY12 and incremented under cost by about 5%. They found that was generally a reasonable indicator of what expenses and how expenses arise from year to year. The revenues are going down while expenses are going up.

Regarding the EFF, they have tried to set aside money for an HFE protocol and there is some money in the EFF for doing that. Their assumption about an HFE protocol is that they're going to rely on existing monitoring programs as the primary way of evaluating the effects of future experiments. They don't anticipate major new science plans that would include lots of new studies. The 2008 HFE cost over \$2 million and they certainly don't expect that and feel that a few hundred thousand would cover an HFE under the protocol.

They continue to note there are a couple of management actions, things they would consider to be "management actions" things that seem to be routinely occurring and are being funded out of the science budget. They think the HBC translocation project above Chute Falls falls into that category and they've been doing that for over 5 years now and is now just appears as an ongoing thing and they'll continue to translocate HBC from the LCR to above Chute Falls based on monitoring data. As such, they think it should be something that is funded outside of the science budget. Likewise with mainstem mechanical removal although they're unclear as to whether it's going to continue. As they've argued in the past, that's being implemented primarily as a management action.

He said the table attached to the cover letter contains their comments on each of the line items in the spreadsheet so that people can get a sense of the focus in FY11 and FY12 by goal and things they have deferred as a result of the lack of funding. He referred to line 166 in the spreadsheet which lists the deferred projects. It was frustrating to them that they were unable to implement the new initiatives but they continued to keep ongoing projects especially monitoring projects moving forward.

- There are number of biology projects in terms of implementing field monitoring for the aquatic foodbase project in FY11 and increased monitoring in mainstem fishes which was something Matthew was attempting to implement in FY11 and FY12.
- A number of things in the riparian area, monitoring birds and arthropods, alternate years of vegetation being monitored and hydrospectrual overflight to do a better job of mapping certain species of vegetation in the river corridor.
- There is a recommendation in the Fall Steady Flow Science Plan for doing some thermal imaging to look at the effects of different flows on shoreline habitats and that's about \$80K that they won't be able to find funding for.
- Monitoring annual recruitment of fishes below in Lee's Ferry, looking at what kind of recruitment they're getting annually in each area population. They're expecting some work will be done in that arena if they were to do a high flow, but there is no continuing line item for that in the monitoring program.

- He said the group could continue to review the list and they tried to include working on desired future conditions and feel it's an important project to set aside some funding for facilitation of those discussions.
- They also wanted to provide some further development of the refinement of the integrated flow temperature and sediment models. There will be a presentation on that at the Saguaro Lake Workshop in April but they believe that additional research and development will be needed in those areas but once again they've only been able to include funding for maintenance of those models.
- There are a number of recreation studies that have been carried over for a number of years, evaluating relationships between flow and recreational experience.

I'll stop there and I don't Dennis how you want to proceed but we'll be happy to answer any questions or provide further explanation as we can.

Mary Barger said she had a question about the MOU that John described where they can't carry over money anymore. She asked how much money would be lost if they couldn't carry it over and where would it go and if the MOU is likely to be renewed. Dennis said it's his understanding they have 5-year contracts and that there is an agreement to extend the period of work and billing for an additional year. Barbara said they agreed that GCMRC would obligate funds through the end of FY10 and anything that is not obligated at that time, would be released back to Reclamation and then the extension for the additional year is to allow their vendors completely expend those funds that were obligated to them. Dennis said that anything left over after that would be returned to the CRSP Basin Fund.

Leslie noted there were a lot of unfunded things and given the initiative that's beginning on DFCs, there is at least one project (line198) that should be deferred until they get further along on the power DFCs. It's not a large amount of money but that money could be used on something else next year.

Comments:

- Need to revisit some projects and pre-priorities (Barger)
- Need to meet with FWS on their requirements (Hamill)
- Line 81, Need to keep projects with reporting requirements to carry over into FY 11 (Henderson)

The group then discussed going through each goal and addressing their specific concerns.

Goal 1.

Goal 2.

Have discussion with FWS on use of ASMR for annual HBC population estimates.

Goal 3.

Goal 4.

No comments.

Goal 5.

No comments.

Goal 6.

John will check back on ____?

Goal 7.

Modeling team on integrated flow and temperature -> focus at Saguaro Lake

Goal 8.

No comments.

Goal 9.

Can Breedlove and Davis work be done every other year? (Henderson)

Helen said it is done every other year and analyzing data in 08 and 09 and look at ground work surveys -
-> look at remote sensing and PEP in FY12 and level of effort reduced. FY12 is an off year and doing all channel mapping. Paul said it's a long term monitoring project to tell you what's happened over time.

Goal 10.

- Minimal funding of staff to put in annual report (Fairley)
- Does data have any effect on program? Utility of waiting DFC outcome and then revisit. (James)
- If what Clayton is going to do, will information be extracted? (Kubly)
- It's circular. There could be some duplication in Clayton's proposal. (James)
- Using money to make data available and establish what the different variables are. (Fairley)
- This goal has been on hold. This is a good start. (Mietz)
- Some data is not accessible due to proprietary rights. It's not served in most cases. (Fairley)
- Purchase and sell data being posted is specific to WAPA information (Clayton)
- This issue needs to be raised at the TWG meeting. (Fairley)

Clayton's proposal: Several recommendations on work that they're doing or could accomplish. They have to do under GCPA. Will run reports through GCMRC (MOA) for peer review. Recommend a TWG ad hoc group be developed. There is the protocol issue of having stakeholders doing work for GCMRC.

- This could be included in Helen's portion of the agenda. (Hamill)
- Have concerns about this being put in the budget without having gone through TWG or AMWG. (James)
- Is Goal 10 broader than hydropower? Does it come in some other place in program? (Kubly)

Goal 11.

- Will be doing a geomorphological workshop but may not be able to implement recommendations. (Fairley)

Goal 12.

Line 115 – DFC Facilitation? (Mietz)

Lines 108-110 – should these be in core monitoring?

Dennis asked the members to send in remaining questions to him.