



DATE: January 22, 2015

TO: RMP Steering Committee

FROM: Philip Trowbridge, RMP Manager

RE: Consolidating the Existing Set-Aside Funds for Monitoring

Recommendation

Approve the merger of Designated Set-Aside Funds for water chemistry (\$110,700), bird egg monitoring (\$50,625), sediment benthos (\$30,900), and sediment toxicity (\$25,750) into a single Designated Set-Aside Fund for Status & Trends Monitoring with a balance of \$217,975.

Explanation

Over the years, the RMP has accumulated 17 different Set-Aside Funds. The purpose of these funds are to spread out the cost of large monitoring projects across multiple budget years. For example, sport fish monitoring is conducted every five years and typically costs \$150k for field and lab work. By contributing \$30k to the Set-Aside Fund for Sport Fish Monitoring each year, the cost of the program is spread across five budget cycles. The full list of set-aside funds and their current balances after the 2015 budget is shown in Table 1.

The past practice of maintaining separate set-aside funds for specific monitoring activities has become very difficult to administer. The current design for Status and Trends (S&T) monitoring calls for different monitoring activities to occur on different schedules. As a result, the RMP needs to both contribute to and withdraw from monitoring set-aside funds in any given budget year. For example, in 2014, the RMP used \$454k from certain set-aside funds to pay for 2014 monitoring and then contributed \$161k to other set-aside funds for future monitoring. It is not efficient to keep track of these cash flows into and out of set-aside funds in the same year.

The S&T Program was designed to be implemented as a whole, rather than separate pieces. S&T monitoring activities for water, sediment, bivalves, sport fish and avian eggs are planned through

2023. Smoothing out the cost of each separate piece of the S&T Program is unnecessarily complicated. The overall goal of smoothing out the yearly costs of Program could be more efficiently achieved using a single Set-Aside Fund for S&T Monitoring.

Table 2 shows how a single set-aside fund could be used to smooth out the costs of the whole program between 2015 and 2023. The RMP would need to save \$200,000, \$125,000, and \$225,000 in 2016, 2017, and 2020, respectively, in the Set-Aside Fund. These funds plus the starting balance would be used to partially offset S&T costs in the other years.

Table 1: RMP Set-Aside Funds Balances as of January 1, 2015

Set-Aside Fund	Balance
Aquatic Toxicity	\$0
Bivalve Monitoring	\$0
Causes of Sediment Toxicity	\$0
Cormorant Monitoring	\$0
Fish Contamination	\$0
Guadalupe Loads	\$0
Large Tributaries	\$0
NIST Archive	\$0
Program Review	\$88,179
S&T Data Management	\$0
S&T Fieldwork and Logistics	\$0
Sediment Benthos	\$30,900
Sediment Chemistry	\$0
Sediment Toxicity	\$25,750
Sport Fish Monitoring	\$0
Tern Monitoring	\$50,625
Water Chemistry	\$110,700

Table 2: Proposed Schedule for Using and Saving Set-Aside Funds for S&T Monitoring

Year	S&T Expense	Set-Aside Funds Used	Set-Aside Funds Saved	S&T Funds Needed	Set-Aside Funds Balance
2014 actl	\$993,352	\$416,700	\$161,100	\$737,752	\$297,050
2015 bdgt	\$861,000*	\$79,075	\$0	\$781,925	\$217,975
2016 fest	\$622,436	\$0	\$200,000	\$822,436	\$417,975
2017 fest	\$741,280	\$0	\$125,000	\$866,280	\$542,975
2018 fest	\$1,110,862	\$225,000	\$0	\$885,862	\$317,975
2019 fest	\$1,039,753	\$150,000	\$0	\$889,753	\$167,975
2020 fest	\$687,053	\$0	\$225,000	\$912,053	\$392,975
2021 fest	\$992,188	\$75,000	\$0	\$917,188	\$317,975
2022 fest	\$1,098,498	\$175,000	\$0	\$923,498	\$142,975
2023 fest	\$1,047,508	\$120,000	\$0	\$927,508	\$22,975

Notes:

*includes \$50k for CTR monitoring which was part of the 2014-2023 design but was not funded in the 2015 budget.

There is also \$88,179 in another Set-Aside Fund for the Program Review. These funds are not recommended to be merged with the others since they are for a fundamentally different purpose.