



STATE OF WASHINGTON

OFFICE OF THE INTERAGENCY COMMITTEE
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March 20, 2006

TO: Salmon Recovery Funding Board Members

PREPARED BY: Rollie Geppert, Manager Salmon & Habitat Section 

SUBJECT: April 2006 Division Report

Project Management Activities

2005 (6th) Round: On January 6, 2006 the Board funded 104 projects using \$26,613,085 of public funds (64%) and \$14,818,124 in sponsor match (36%) for a total value of \$41,431,209. Staff immediately started preparing milestone letters for sponsors followed with prepared project agreements. Thirty projects are currently in active status while 74 await sponsor signature (pending status) and return of the signed documents to IAC.

Project Administration

The following table summarizes the salmon habitat projects currently administered by SRFB staff. Sixty-two percent of all projects have been completed (closed-completed status) or are 'active completed' status until the monitoring component has been completed on or before the end of the five-year funding period.

Funding Cycle	Fiscal Year	Active Projects	Pending Projects	Completed Projects	Completed Monitor	Total
GSRO Federal 1999	1999	0	0	165	0	165
Early Action (IRT) State 1999	1999	0	0	94	0	94
SRFB – Early (State) 2000	2000	8	0	69	0	77
SRFB - Second Round 2000	2001	19	0	120	1	140
SRFB – Third Round 2001	2002	61	0	55	12	128
SRFB - Fourth Round 2002	2003	52	0	24	6	82
SRFB – Fifth Round 2004	2004	100	0	7	1	108
SRFB – Sixth Round 2005	2005	30	74	0	0	104
Totals		270	74	534	20	898
Percent		30%	8%	62% (Completed projects)		100

IRT =Interagency Review Team (Early Action grant cycle); GSRO = Governor's Salmon Recovery Office



MEMORANDUM

March 24, 2006

TO: Members of the Salmon Recovery Funding Board

FR: Doug Osterman, Chair, Lead Entity Advisory Group

RE: **LEAG Report for March/April 2006**

The Lead Entity Advisory Group met on January 20, 2006 in Burien, Washington to begin discussing the 2006 Funding Cycle. The meeting summary is attached for your review. It contains several issues that the SRFB may want to consider as it develops the 2006 funding cycle. I am also attaching a questionnaire that was completed by several Lead Entities regarding the 2005 SRFB funding cycle. It provides additional feedback that the SRFB may find useful in establishing the 2006 funding cycle.

The LEAG is meeting on Wednesday, March 29, 2006, in Ellensburg to review and discuss the report and recommendations of the Issues Task Force. Results of that meeting will be presented to you at the SRFB meeting on April 6 in LaComer.

Lead Entity Advisory Group Report
March 24, 2006

LEAG Draft Meeting Summary
January 20, 2006
Washington State Criminal Justice Training Center
Burien, WA 98148

<p>LEAG Attendance:</p>	<p>Doug Osterman, WRIA 9 Jeanette Dorner, Nisqually Tribe Jeff Breckel, Lower Columbia Fish Recovery Board Richard Brocksmit, Hood Canal Coordinating Council Jay Watson, Hood Canal Coordinating Council Melissa Paulson, WDFW Tim Smith, WDFW John Sims, Quinault Nation Rollie Geppert, IAC/SRFB Neil Aaland, IAC/SRFB Steve Martin, Snake River Salmon Recovery Board Mary Jorgenson, WRIA 8 Barbara Rosenkotter, San Juan County Bret Nine, Pend Oreille CD Paul Dorn, Squamish Tribe, WRIA 14 Kim Bredensteiner, Island County Amy Hatch-Winecka, WRIAs 13 & 14 Lee Napier, Grays Harbor County Selinda Barkhuis, NOPL Debby Hyde, Pierce County Dan Wrye, Pierce County Roy Huberd, Pierce County Steve Tharinger, SRFB Gary Cooper, IAC Jim Fox, IAC Chris Drivdahl, GSRO</p>
<p>WDFW Report</p>	<p>WDFW has filled the Lead Entity/Watershed Steward Coordinator position. Laurie Vigue will begin in her new capacity within the next two weeks. WDFW staff are excited to welcome Laurie to the position and are confident in her abilities.</p> <p>Marnie Tyler will be ending her tenure as Salmon Recovery Coordinator at the end of January. The Habitat Work Schedule project will swing into full gear once her replacement has been selected.</p> <p>DFW has three requests currently pending before the Legislature related to LE's. The first is the Habitat Work Schedule project. The Governor's proposed FY 06 supplemental budget includes authorization for the expenditure of \$700k of federal funds for the project. The second is in the Governor's capital budget request, creating the Estuary and Salmon Recovery program. \$2.5 would be available for projects benefiting salmon in Puget Sound estuaries. The projects would be consistent with</p>

	<p>the Puget Sound Nearshore Partnership, and approved by the Partnership Executive Committee. Finally, the Governor's proposed operating budget includes \$550k for the Office of Regulatory Assistance (ORA). Funds would be used, in part, to support piloting approaches to identify priority "alternative mitigation" opportunities, including those identified in salmon recovery plans.</p>
<p>SRFB 7th Round Discussion – IAC/SRFB</p>	<p>Neil Aaland opened the discussion of SRFB 7th Round issues by identifying two primary concerns: 1) Specifics regarding the upcoming grant round (type?, timing?); 2) Issues related to the long-term process (Issues Task Force process). He presented some options for 7th Round 2006:</p> <ul style="list-style-type: none"> A) Regular funding round, with same timing as 2005 B) Phased grant round on 18-month timeframe; initial allocation 12/06 & final allocation June 2007 C) Use of some permutation of existing project lists for 7th Round D) In combination w/(B), use 6th Round 1st Increment guidelines for funding <p>Further, Neil identified other concerns to be addressed:</p> <ul style="list-style-type: none"> 1) Certainty 2) Regional Plans/Boards – how do these fit into the process? 3) Timing constraint – specifically, the legislative session one year from now. 4) Lead Entity strategies – will these be considered as part of future funding, or not? 5) Technical Review Panels – how/if to use them in the future. <p>Finally, Neil relayed the schedule for IAC/SRFB "next steps": <u>February 10, 2006, ITF Information Gathering Meeting</u> – This would be a third opportunity for lead entities and others to express concerns directly to the ITF. <u>Post-February 10, 2006, SRFB debriefing</u> – SRFB will seek direction for the immediate grant round, as well as ITF focus issues.</p>
<p>SRFB 7th Round Discussion – WDFW</p>	<p>Tim Smith identified three primary issues of concern to WDFW:</p> <ul style="list-style-type: none"> 1) Watershed LEs vs. Region LEs – What is most equitable, and how do we get there? HB 2496 language maintains that decisions should be made as close to the watershed level as possible. 2) ESA vs. Health stocks/populations – Also, ESUs vs. broader considerations. How do we avoid "punishing" lead entities for having non-listed stocks? This issue is also important when considering application of federal vs. state funding. 3) Science of Salmon vs. Community Values – Where do you set priorities when these two value sets do not line up? "Feel good" projects (see below: GSRO) often have a great deal of value to the local process.
<p>SRFB 7th Round Discussion – GSRO</p>	<p>Chris Drivdahl related the key concerns of GSRO:</p> <ul style="list-style-type: none"> 1) There is a strong need to clearly show the relationship of projects to regional plans. Specifically, does the plan explicitly guide priorities within the region? 2) There has been criticism that SRFB is funding "feel good" projects (with poor scientific merit) for political purposes and without regional guidance.
<p>SRFB 7th Round Discussion –</p>	<p>Lead Entity Coordinators, LEAG members, and others in attendance identified questions and concerns about the current SRFB funding process: (Line items appearing in bold typeface were reiterated multiple times.)</p>

<p>LEAG & Lead Entities</p>	<ul style="list-style-type: none"> ○ Uncertainty of funding ○ Appropriate role of planning regions ○ Desire to avoid leaving funds on the table at the end of the year ○ Maintenance of engaged citizens committees ○ How do those lead entities NOT in planning regions fit into the process? ○ Phased approach seems sound – it would provide the opportunity for ITF (in cooperation with input from LEs) to fix some issues. ○ Current SRFB process is long/complex, with little return. ○ A “disconnect” between Citizen and Technical groups caused problems with SRFB reviews. ○ Strong desire to examine/resolve issues now and move forward. ○ Frustration with SRFB technical review panel process – local prioritization processes are not often transparent; lack of communication was also an issue; could we do with a regional review panel instead? ○ Some lead entities would want to have the chance to create a good, short list of 2006 projects. ○ A “mini round” would still be “full work” for lead entities. ○ Desire for “7th Round 2006 and 8th Round 2007” over an 18 month round. ○ Concern that SRFB funding criteria should be set in advance of application process. ○ The first phase of a “phased funding option” would really need to be simple, allowing time for LEs to participate in the ITF process. ○ There is a need to know the criteria for a “mini” or “phased” round before making a decision on which is preferable. A mini round process concurrent w/ITF process is too idealistic. ○ Great concern about process being clear in the future – want to avoid moving to a poor process. ○ Some LEs oppose an interim/mini round process, viewing it as nonproductive. ○ Technical Review Panel process was helpful, generally good. ○ Support for doing 7th Round like 6th Round and fixing issues for 8th Round; phasing would cause loss of momentum. ○ Criteria for regional lists for 2007 should be clear ○ Appropriate relationship and representation of CAG/TAG chairs to regional board
<p>SRFB 7th Round Discussion – Proposals</p>	<ul style="list-style-type: none"> ○ Don’t solve all issues at once. ○ Take a step within the current round and figure out regional allocations and funding targets. ○ Push regions to submit prioritized lists. ○ Mini-round without the SRFB Technical Review Panel Process? ○ Five Principles: <ul style="list-style-type: none"> 1) Predictability in funding 2) More certain and brief process with less external review 3) Maintain local practices 4) Funding supports equivalent level of effort for the recovery of all listed ESUs (habitat focus). 5) Strategic approach is necessary.

Items for Future Attention	<ul style="list-style-type: none"> ○ Meeting of Puget Sound lead entities regarding PS Nearshore Restoration with Implementation Team ○ For 2/10/06 meeting: <ul style="list-style-type: none"> • Define "equivalent level of effort" for ESU • Identify other sources of funds • Develop a funding cycle to allocate funds in 2006 – must commence by 5/06 and move toward reform of issues. ○ WDFW staff will solicit and compile information from all lead entities regarding concerns about participation in 7th Round funding cycle.
NEXT MEETING	March 29, 2006, Ellensburg

Questionnaire: SRFB 2005 Funding Cycle & Concerns about 2006 Cycle Information Gathered from Lead Entities

Compiled by M. Paulson, WDFW
February 2006

Names of Lead Entities that responded are not included; responses are not keyed to the Lead Entity that provided them.

1) What aspects of the 6th Round process did you consider to be successful, and why? Please be as detailed as possible.

Having review panel members available for early potential project reviews provides sponsors with immediate feedback on proposals, as well as provides the review panel with a snapshot of individual basins and projects. These site visits foster understanding among sponsors and those reviewing the projects. We appreciate SRFB's staff and the review panel for arranging these site visits.

The 6th Round process was more predictable. With little change from the previous round, LE's had an easier understanding of the processes, which enabled them to prepare in advance and in a timelier manner. Continued change to the process is only adding more confusion.

It was somewhat helpful to have a delegation from the Technical Review Panel do site visits. (However, it still did not prevent the many issues we had with the process this round – see other comments below.)

A. SRFB staff Tara Galuska and Rollie Geppart have been very professional and helpful. I have made good use of their help but in retrospect, I could have relied more on their expertise.

B. The Review Panel members who conducted the site visits were very thorough. The need to respond to their comments and feedback forced me to look at the potential problem projects in a different light and to address problems that I was not aware of.

C. The SRFB meetings were well run and I found them to be instrumental in "figuring out" the process.

The most successful aspects of the Sixth Round were that the process was fairly clear and most of the LE's had great projects, process, with a good fit to their strategy and/or recovery plan. The SRFB Tech Review process was relatively streamlined and helped identify and work with projects of concern. As usual, IAC, SRFB, and DFW staff members were extremely helpful to those LE's requesting assistance.

The review of projects, feedback on their improvement during feedback loops, and the POC review criteria have been effective and efficient to date. Technical folk on the review panel have

been a good source of independent review of projects, and could some day help disseminate lessons learned from the SRFB effectiveness monitoring program. Also, staff involvement and coordination continues to become more effective, from the SRFB management staff, project manager staff, and LE staff. For some aspects of fiscal policy and monitoring, LEAG was effective.

I think the most important success of the 6th round was its continued emphasis on watersheds using a strategic approach to ensure that the projects funded are ones that are high priority and of greatest benefit to the fish.

- * Participation of Review Panel members on project field trips was very useful, because it is critical to understanding and being able to evaluate the projects. The Review Panel members assigned to WRIA 1 (Phil Peterson, Tom Slocum) were clearly knowledgeable about salmonid habitat and habitat-forming processes, as well as implementation of restoration projects.
- * It was useful to have the preliminary Project-of-Concern comments, so that project applicants could revise projects or applications to respond to concerns. Four WRIA 1 projects were initially identified as Projects of Concern. After applicants had the opportunity to respond to the initial designation, only one WRIA 1 project remained a Project of Concern.
- * Review of our restoration strategy was helpful. Comments will be incorporated into the next round of strategy revisions.

Unlike many Lead Entities we have never had a disconnect between the local review and that of the SRFB Review Panel. It has been my experience that the SRFB Review Panel comments are usually very similar to our own review panel comments. We appreciate the opportunity to interact with the Panel and find it helpful to hear a second supporting opinion related to our project rankings because it tends to strengthen the credibility of our panel.

2) What aspects of the 6th Round process do you feel must be resolved for the immediate grant round, and why? Please include supporting details, as well as clear suggestions for resolution.

- a) SRFB needs to determine allocation among regions and regions need to determine allocation within regions. We recommend that SRFB consider allocating funding targets for recovery regions at the beginning of its process rather than at the end. Setting funding targets at the beginning would provide greater certainty and predictability for project sponsors and enable lead entities to focus more time on results – developing and implementing high priority projects.
- b) We support letting the regions determine the allocation within the ESUs. For example, in Puget Sound, almost all lead entities have developed detailed, sequenced salmon recovery plans, accompanied by project lists and priority actions. Our plans have received significant technical review and have been approved at a regional level and are currently part of the ESU recovery plan for the Puget Sound. The regions will know best how to allocate for benefit to salmon and community support. For example, we support the Shared Strategy idea of using CIP lists for each lead entity.

- c) The funding process needs to be determined before or at the beginning of the round. In Rounds Five and Six, the SRFB made up funding allocation decisions at the meeting. This led to lead entities feeling disrespected for their time, that their work was not valued and that the Review Panel ratings were not meaningful. Setting funding targets at the beginning would provide greater certainty and predictability for project sponsors and enable lead entities to focus more time on results – developing and implementing high priority projects.
- d) SRFB needs to determine a meaningful way to have a check in place to ensure that low benefit projects are not funded. The role of a review panel needs to be revamped. The Review Panel just does not have enough time to adequately review strategies and projects. Our experience has been that they think our strategy is “too complex” (perhaps because they didn’t have adequate time for a review or would have chosen to organize the strategy differently). However, the Puget Sound TRT thinks that we have an excellent strategy. I think that SRFB should rely on the TRT experts who have reviewed the strategies and regional plans in detail. It is meaningless to have another review, particularly one that is less informed.
- e) Continue to improve certainty of funding. One of the main challenges with the SRFB process to date is that it requires lead entities and project sponsors spend most of the year developing and reviewing proposals, without knowing how much funding will be available for the watershed until the very end of the process. In the end, a great deal of time is spent designing and defending projects that do not receive funding.
- f) Improve the process. It is long and complex for lead entities and sponsors and frustrating. IAC runs other programs that are much less painful.
- g) If lead entities and regions can demonstrate satisfactory multi-year lists of priority actions to the SRFB, the board should also consider committing to multi-year funding targets contingent on future state and federal appropriations.
- h) Updates to PRISM are difficult for government agencies, where individual users rarely have administrative access to their computers. Please continue to restrict updates to PRISM software during the grant submittal process and continue to find long-term solutions that make PRISM more usable. Ultimately, using a web-browser (e.g., Internet Explorer) interface to PRISM would be more efficient and allow for updates without requiring software downloads and installation.
- i) “On-the-ground” habitat project proposal forms do not allow for line item costs associated with public processes. Our success in restoring habitats and recovering salmon is tied to our ability to run open and transparent processes that include the public, whether for planning or construction. Please include a line item for public process in future budgets.

During the 6th Round review the SRFB Technical Review Panel provided only one on-site technical member to review local projects. We feel there is a biased opinion to the review process when only one technical member is present. It would be more beneficial to have second and third opinions in order to have a less biased process. Additionally, the review panel members should coincide with the local Technical Advisory Group members during site visits so that local/regional expertises are equated into the process (this did happen and should continue).

What will the standards for the technical review be? In the 6th round we felt that the SRF Board, IAC staff and the Technical Review Panel (TRP) sent mixed messages about whether the projects would be reviewed based on the strategy in our recovery plan chapter or some other set of priorities. I suggest that the SRFB make it clear whether the projects will be reviewed on the basis of watershed recovery plans or some other standard. If they are to be reviewed on the basis of watershed plan priorities, I suggest that they be reviewed by a group familiar with those plans, such as the Regional Technical Review Team (TRT) vs. a state Technical Review Panel who does not have the in depth knowledge about our local salmon recovery strategy and the sometimes complicated needs and issues associated with our local watershed.

The Review Panel's rating of the Lead Entities' strategies and how they related to the recovery plans was not easily understood. It also seemed very ESA focused ("Chinook-centric"), which should not be their mandate.

I think the Lead Entities have been around long enough to know what they are doing and not need this type of "rating" for the purpose of fund allocation. I did not see any positive benefits of this part of the process - I heard even the Lead Entities who got excellent ratings complaining about it.

The SRFB pays good money for the Review Panel and should limit their work to determining potential projects of concern and to assisting project sponsors and lead entity coordinators to fix or weed out those projects.

My personal opinion is that the Seventh Round should not be a mini-round or continuation of the existing process, but should be a transition to matching the Seventh Round to Recovery Plans. This may create some chaos, but the chaos is coming anyway, might as well deal with it now. (I'm being facetious with the word chaos). Not all areas have recovery plans, but that will continue to be the case anyway. Not all recovery plans are equal, but hopefully we'll refine the plans in time through adaptive management, more work, and expertise gained with implementation. The last few SRFB, LEAG, and local Puget Sound LE meetings expressed a wide range of opinions with no single consensus other than: keep the process simple, straightforward, and clear. Of course, the SRFB has always tried to do this but the details get in the way. It may be useful to keep the funding distribution for the Seventh Round similar to the Sixth Round for continuity, but do away with Tier 3, or use Tier 3 for those high quality projects within each region that have great benefit to salmon.

First, we must orient ourselves around the implementation of salmon recovery plans where they exist and habitat strategies where there are no ESA-listed fish. Lead entities must continue to develop a process to incorporate LE committees into regional recovery plan implementation. Review panels must continue to align to improve the effectiveness of their obligations at their appropriate scales. Since we are striving to affect salmon recovery at the ESU scale and to bring site-specific knowledge to bear, it seems more efficient and effective to align these review panels at that scale by integrating a regional and local review process in some way. SRFB may also be able to decide that they do not need to review the quality of federally-adopted salmon recovery plans, thereby decreasing their costs. Finally, we must strive to **ALLOCATE FUNDING TARGETS AT THE BEGINNING OF THE PROCESS** so limited LE committee and review panel time can be more focused on results. SRFB should decide up front how best to allocate these funds regionally and/or sub-regionally, and of course including non-ESA regions such as the coast. Funding could be established initially based on average historical allocations, given that it is an expressive indicator of success, need, ability, and implementation capacity.

I think the issues facing the next round are large enough that we need to stop and take the time to resolve them before allocating any additional funding. I am concerned that if we do not do so we run the risk of allocating money in a way that is not consistent with policy objectives and that consequently we may make it more difficult to receive future funding allocations. Also, many of the people that need to be involved in these discussions are the same people that would be involved in the facilitation of the next grant round process. There is not adequate time to do both simultaneously.

* IAC should schedule project field trips and preliminary Project-of-Concern comments to be early in the 7th round schedule, so that Lead Entities can work them into their local schedule and provide time for applicants to respond to comments. In WRIA 1, the initial POC comments came in just a few days before we were due to rank. To allow applicants time to respond, we had to delay the ranking by a couple of weeks.

* Review Panel gave a lower rating for the fit of the WRIA 1 list to the strategy, because one of the projects was interpreted as being a lower priority for salmon recovery. WRIA 1 has an ambitious 10-year plan to implement actions that are expected to have significant positive impact on early Chinook populations, and this project was identified as one of those actions. Some of the problem arose due to inconsistencies in the Strategy, but the lower rating held, even after WRIA 1 provided comments to the Review Panel to clarify their priorities. In other words, the Review Panel did not defer to WRIA 1 on this point.

Before another list is developed in the Chehalis Basin, the SRFB must clearly articulate how coastal lead entities fit into the recovery focused SRFB process. This process is complication and time consuming and not worth the effort, if lead entities not involved in recovery planning, are not welcome. The SRFB needs to state for the record their support for continued participation from the coastal lead entities and how they will financially back their support.

3) What aspects of the 6th Round process do you feel must be resolved for long-term participation in the SRFB process, and why? Please include supporting details, as well as clear suggestions for resolution.

For the same reasons as outlined above, we encourage the SRFB to consider committing to multi-year funding targets (contingent on state and federal appropriations) at the beginning of the process, provided that lead entities and regions can demonstrate satisfactory, multi-year lists of priority actions.

There has been a lot of discussion about regional plans and review panels and I think Richard Brocksmith has a good idea so I think it's appropriate to reiterate it.

"In areas with adopted, or soon-to-be-adopted, Regional Recovery Plans, Regional Review Panels could be created by combining federal TRTs, state scientists, and local technical groups. One review panel could be formed for each region. These regional review panels could review the fit of project list(s) to the Regional Recovery Plan or Habitat Strategy and provide its comments to the SRFB."

We would however, like to see those LE's not in a regional recovery plan equally represented in the process.

I think this process could be worked in overtime but probably is out of the scope for this coming round. I would suggest using the above ideas in question 2 for the next round.

The comments above apply to both the short and long term. See additional comments below for more details and other comments.

The local Lead Entity responsibility shifted this round to a new CAG and a new STAG was also created. Additionally, a new Lead Entity Coordinator was also in place for this round beginning in mid-July. With that in mind, there were new people in the process and so we may have a very different perspective on how the SRFB process went this last round. Overall, what appeared to be the most surprising to everyone involved locally in the SRFB process is how undeveloped and undocumented the process appears to be even though this is the 6th year of funding. It seems that the process could be much clearer and the timelines could be better defined. Some specific concerns we had included:

1. There was inconsistent information regarding what types of projects would be accepted for round 6 even after we had started the round 6 process, i.e. after we had solicited proposals from local sponsors. For example, the decision regarding whether the SRFB would fund assessment projects in round 6 was not finalized until their meeting in August. This was after we were scheduling the review panel for site visits, progressing through our local evaluation process, etc. More importantly, though, this decision appeared to be inconsistent with the earlier SRFB direction that we were to follow the strategy in our local recovery chapter. In our case, we have very specific assessment needs and were surprised that the SRFB would potentially not accept assessment projects. We were also concerned that policy decisions were apparently made as late as the meeting in January where the SRF Board was finalizing funding.
2. The process seemed to not be well documented. Our perspective was that everything appeared to be last minute, i.e. we were notified regarding when we would receive a response from the Technical Review Panel on x date and we will then have one week to respond. But there didn't appear to be a document that outlined these dates so that we could plan our local efforts around them. Then when any dates would slip from the SRFB side of the process, our response dates would not slip accordingly. So if we were originally to have one week to respond we would now be allowed 5 days to respond, etc. It would be helpful to have a timeline of the entire round provided. It is understandable that things can change and timelines may shift but having a guide would be very helpful.
3. The entire Technical Review Panel process was frustrating and confusing and, from our perspective, was counter-productive. We would receive responses from the review panel and then we would respond to those specific questions or comments. Then we would receive another list of comments or questions, many times the new list would be unrelated to the previous dialog we appeared to be having. We would then respond to the new list of comments, etc. This back and forth process was highly "costly" for many reasons, including the amount of time put in by our local sponsors, members of our local CAG, our local STAG and the LE Coordinator, and of course, the time put in by the review panel. We don't understand why the review panel could not indicate their list of concerns and questions up front. We spent countless hours in responding to the review panel's questions, if we felt we were making progress on their concerns and issues, then it would have been worth the effort. However,

some of the questions appeared to be off track, including asking us to change a protocol when the accepted scientific one was in the proposal. In this example, it would have been much more costly for us to create a new protocol let alone attempt to address the scientific validity of a new protocol created locally from scratch. Also their proposed "solution" would have been much, much more expensive than the one that was in the proposal. This is one example of the Technical Review Panel not having enough familiarity with our local watershed. At each turn when we would respond to their list of concerns, then a new list of issues would be proposed. In this round we ended up with one proposal - which had been ranked by our local process as our second highest priority project - designated as a project of concern when it was sent to the SRF Board for their final funding decision. I primarily believe that this was because we "ran out of time" due to the highly inefficient back and forth process with the review panel. Frankly, no one in our CAG, STAG, our sponsor, or the LE Coordinator really understood why the project was determined by the review panel to be a project of concern and thus what it was that we needed to do to resolve this issue.

4. What is the true value and role of the local CAG and STAG? It appears that the SRFB has sent us the message that they do not value their role. I currently have some very frustrated CAG and STAG members. I have had members of my STAG quit because they don't see the value in spending valuable time on this process. I am being asked why they should participate when a review panel that is unfamiliar with our area second-guess the salmon recovery work we are doing locally.

5. Overall, we were/are very frustrated with the process. The CAG, STAG and other WRIA2 participants have put many hours into developing a local recovery strategy that is part of the Puget Sound Chinook Recovery Plan. We feel that the SRFB funds would most effectively be directed towards helping us to implement this strategy, but we don't feel that round 6 was set up to do this.

To sum up, we are quite willing to work with the SRFB on obtaining project funding and to follow the process, but in order to do so it would be helpful to make sure that it is clear regarding what is expected of our local groups and what role they play in the process. We also want to ensure that we are supporting the process that works for the SRF Board to feel confident about the projects they are funding and thus make sure we are submitting the kinds of projects the SRFB can and will support. Knowing and understanding the guidelines better will help everyone spend less time in unproductive efforts.

A. The definitions of the labels of "watershed" and "citizen committees" as they relate to the Lead Entity organizations need to be clearly identified prior to a broad sweep of these terms into broader salmon recovery lingo. The words have different meanings in those processes (LE vs. NOAA Recovery Plan).

B. I would like some sort of simple public process update for the new round other than the manual sent out by IAC staff at the beginning of the funding process. It could just be a simple 2-3 paragraph summary of the SRFB process. This would even have been useful to me when I started!

I see the Sixth Round as the end of the exclusively local approach and the Seventh Round as entering the regional approach with the local LE's doing the grounds up projects that fit with

the regional recovery strategy. The SRFB technical team would likely transition to a TRT-type, science-driven approach.

Further notes: we have ESA-driven mandates, legislative “keep the funds distributed equitably” mandates, and the regional plans that primarily emphasize recovering listed species. But for some time voices have been crying out that we can protect existing, productive salmon habitat for reasonable cost and that this approach is not factored into the ESA-centric put-the-dollars-here effort. Several speakers at the Salmon 2100 forum in Portland last week advocated a fresh look at the dollars available for salmon, where the salmon are not in the path of the human population steamroller, and what global climatic changes might mean to the existing salmon populations. I like the idea of putting scarce money into quality habitat where we have a good chance of maintaining naturally spawning salmon in face of global warming. We’d still put some money into all projects, but most money would be committed to large chunks of habitat safe from pavement and rooftops.

Eventually, though sooner would be better, we must pool statewide “lessons learned” from project implementation and effectiveness monitoring and integrate that into future projects (inherent in this is that we continue to move towards shared monitoring processes and databases, a major area of need in its own right). Local groups have learned much about techniques, approaches and effectiveness, but our sample size is often small. Pooling these insights with those from programmatic efforts and state and federal researchers will help us adaptively manage our efforts and ensure effectiveness. Additionally, as we continue to move towards salmon recovery plan implementation, we must continue to address how to implement non-traditional LE projects that are imperative to success. Examples of these types of actions include programmatic actions like incentive programs, regional research priorities, and monitoring gaps. Given these resources come from a few limited sources and will have to compete with traditional project type actions at least initially, an open, transparent discussion about critical actions to fund should include all LEs, regions, and SRFB. Finally, the SRFB must continue to wrestle with the whole topic of ESA and non-ESA listed fish, realizing that though this issue is most acute in coastal and other areas without listed fish, even areas like Hood Canal have stocks of concern that are not listed fish yet, but may become so without sources of state/local match funds for recovery activities.

Key Issues to resolve:

- - How important is it that the projects funded in future SRFB rounds are targeted at ESA listed species?
- - Relationship of SRFB funding process to the recently completed regional recovery plans
- - How to deal with watersheds/lead entities that are not part of a recovery region, or were not included in their Region’s recovery plan
- - Resolving the debate surrounding the question of “equitable” distribution of funds statewide.
- - How to streamline the process so that more time can be spent on project development and implementation, without losing an emphasis on a strategic approach and independent technical oversight.

- - Establish criteria for determining when block grants may be made to a lead entity as is called for in SB 5610.
- - How is the process for future SRFB grant rounds consistent with SB 5610 passed last year?

A big topic of debate that needs to be resolved is how closely tied the future project funding requests need to be to the recently completed Regional Recovery Plans. It seems that the first question to resolve then is how important is it that the projects funded in future SRFB rounds are targeted at ESA listed species? This is a policy question that we are receiving mixed or garbled signals from the federal and state policymakers as to what is priority. This seems to be an issue that only the SRFB, working with both federal and state legislators, can resolve. It may be that there is already a clear answer from the policy makers but it did not get communicated clearly enough. Or if the emphasis of federal policy folks is on listed species and for state policy folks on both listed and unlisted then how do we resolve these different policies in one funding round? Of course this is not necessarily a black and white issue. A priority for listed species wouldn't necessarily mean no funding at all for projects not targeting listed species. So the second question is how big of a priority should listed species be? The answer to this would help determine the balance of funding between projects that do vs. don't benefit listed species.

The answer to the question of importance of listed species has bearing on the next few issues – the relationship of the SRFB process to the regional recovery plans, and how to deal with watersheds that aren't included in regional recovery plans. If listed species are a priority then it seems to follow that future SRFB rounds should be closely tied with the priorities in the Regional Recovery plans. Otherwise there is a great chance for confusion and inconsistencies. What good is a recovery plan if the recommended action items are not funded?

If Recovery plans are determined to be an important link for future funding then the SRFB will also need to resolve the question of how to deal with lead entities that: (a.) are not part of a recovery region or (b.) are part of a recovery region but were not included in the regional plan.

There has been a lot of discussion about the question of "equitable" distribution of funds statewide. It would be helpful for the SRFB to look at the original SB 5610 language and provide some policy clarification about what that means. Issues to consider would be when the legislation says "the allocation should recognize the varying needs in each area of the state on an equitable basis," what does area refer to? Is that regions, watersheds, lead entities, or some other geographical unit? Also the SRFB should consider what kinds of factors should be taken into consideration when determining an equitable distribution of funds. Some factors might include overall need of each area, differences in costs of projects in different areas, other available resources in particular areas for project implementation, and demonstration of a clear strategic approach that ensures high benefit, high priority projects are being proposed.

Although there has been talk about streamlining the process in the past, the current SRFB process is still very time consuming for project sponsors and watershed lead entities. There would be definite advantages in finding ways to streamline the process so that everyone can spend more time on project development and implementation. However, we don't want to lose the emphasis that the current process has created on ensuring that projects are consistent

with a strategic approach. A streamlined, efficient process that funds low-priority/low-benefit projects is not helpful. We must make sure not to throw the baby out with the bathwater.

One approach that is being advocated to streamline the process is using the block grant option provided for in SB5610. This may be a way to address this need but first criteria needs to be established by the SRFB as to when block grants may be awarded. We would urge that this criteria include something that continues to provide some type of oversight to ensure that projects are still strategic and high priority.

* The SRFB appears to take great pains to ensure there is equity across Lead Entities in acquiring funding. However, that comes at the expense of providing funding towards Lead Entities with more important populations. For example, WRIA 1 comprises one of five geographic diversity units in Puget Sound. Both early Chinook populations in WRIA 1 need to be "viable" to delist the Puget Sound Chinook ESU. However, the base allocation that automatically comes to WRIA 1 is a relatively small portion of the total available funding.

* The integration of the local prioritization process into the SRFB review and evaluation process is cumbersome. It would be much more efficient for block grants to be provided to lead entities and to allow them to make decisions on what projects get funded. SRFB could ensure appropriate and efficient use of funds by continuing to have IAC administer the grants and by retaining authority not to fund Projects of Concern.

In addition to the immediate concerns listed above, the SRFB must address the criteria and specific processes to allocate funds. A solution would include acknowledgement by the Board that they no longer need to evaluate the quality of the strategy. The attempt to evaluate the quality of the strategy this last round missed the mark. In the Chehalis, our strategy ranking would be higher if we had only submitted our top (highest priority) projects. Because we submitted a ranked list that included both high and medium priority projects, the quality of our strategy (fit of list for actions and areas) was penalized. I acknowledge that this was a costly mistake on our part, but the SRFB needs to acknowledge that this did not truly evaluate the quality of our strategy. Instead, it evaluated the strategic choices by the lead entity and sacrificed restoration of salmon habitat.