



# FINAL SRFB REVIEW PANEL EVALUATIONS & STAFF REPORT - 2006

November 20, 2006

The Salmon Recovery Funding Board (SRFB) initiated its seventh grant round in June 2006, and is scheduled to make funding decisions at its December 6-7, 2006, meeting in Olympia.

The SRFB seeks comments from lead entities, regional organizations, and their partners on this report in preparation for SRFB action in December.

This report also is available online at [www.iac.wa.gov/srfb/grants/funding.htm](http://www.iac.wa.gov/srfb/grants/funding.htm). Please mail or e-mail comments to the following address before **5 P.M., November 30, 2006**.

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# PART I – INTRODUCTION

## INTRODUCTION

The Legislature created the Salmon Recovery Funding Board (SRFB) in 1999 to provide grants to protect and restore salmon habitat. The SRFB works closely with local watershed groups known as lead entities<sup>1</sup> to identify projects for funding. In its first six grant rounds, the SRFB has administered more than \$156 million of state and federal funds to help finance 639 projects statewide.

This report presents information on the process used to review the seventh (2006) round of grant applications, results of the SRFB Review Panel evaluations of strategies and projects, and staff analysis of the results, for the SRFB to consider at its December 6-7, 2006, meeting in Olympia.

## THE 2006 PROCESS

At its December 2005 meeting, the SRFB expressed interest in using something similar to the first Issues Task Force (ITF) to explore options for the 2006 grant cycle. The options were intended to acknowledge the new role played by regional salmon recovery plans, which were submitted to the federal government in 2006. SRFB member Steve Tharinger, the chair of the first ITF, offered to participate in the 2006 ITF on behalf of the SRFB. Additionally, the Lead Entity Advisory Group (LEAG) under the leadership of Doug Osterman, submitted suggestions for changes identified in its January 2006 meeting. The ITF met three times from February 10 through March 17, 2006. Chaired by Tharinger, the ITF was composed of representatives from LEAG, lead entity citizen advisory groups, regional salmon recovery organizations, the Governor's Salmon Recovery Office, and SRFB staff.

The SRFB directed the ITF to consider what an “ideal system” would include even if it could not be fully implemented in the 2006 grant round. Towards that end, ITF members kept the following policy principles in mind:

- Planning and funding at a regional level is crucial.
- Each of the regional areas in the state exhibits different complexities.
- There is a fundamental role and need for the lead entities.
- Support is needed for work in regional areas that have not prepared recovery plans (coast and northeast), while also acknowledging the work required to prepare a regional plan.

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<sup>1</sup> Lead entity groups, authorized under Chapter 77.85 RCW, are established for a local area by agreement between the county, cities, and tribes. A coordinating organization is chosen as the lead entity, which creates a citizen-based committee to prioritize projects. Lead entities also have a technical advisory group to evaluate the scientific and technical merits of projects. Consistent with state law and SRFB policies, all projects seeking funding must be reviewed and prioritized by a lead entity to be considered by the SRFB.

- Work must continue to support a statewide strategic approach.
- Funds must be used efficiently to address both listed and non-listed species.
- Pre-allocation of available funds would provide benefits of certainty and efficiency for SRFB as well as its partners.

The ITF concluded a regional approach is the correct scale for allocating funds because:

- Evolutionarily significant units (ESUs) and distinct population segments (DPS) are the scale at which recovery of fish listed under the Endangered Species Act will occur.
- A regional approach integrates salmon recovery planning and activities of all participants.
- Regional recovery plans will improve the SRFB's ability to set priorities and judge the cost-effectiveness (at the project level) of actions.
- Regional organizations should provide technical and facilitation support to local efforts and/or link local groups with experts from state, tribal, or federal agencies.
- Regional organizations will provide financial leadership and public outreach to increase public support for recovery efforts.

### **ITF's Recommended Approach for Allocating Funds Regionally**

The ITF approached its task of identifying pre-allocation funding amounts for each of the eight salmon recovery regions by considering two geographic parameters (a & b) and two fish-centric parameters (c & d):

- a. The number of Water Resource Inventory Areas (WRIAs).
- b. The number of salmonid river-miles.
- c. The number of listed salmonid populations.
- d. The number of Salmonid Stock Inventory (SaSI) stocks.

The ITF analyzed ways to weight the above parameters and determine allocation percentages that were consistent with the policy principles, and developed two options for consideration by the SRFB. The weighting of the four parameters in these options had varying but similar weights for listed populations, WRIAs, and salmonid miles, and a smaller weight for SaSI stocks. The following points were considered:

- Any funding allocation was "conditional" in that it was not a guaranteed amount but rather an amount that could be received based on the regional responses to the SRFB's oversight criteria.
- Both options pointed to a significant change in the funding percentages when viewed by regional areas.

- This would be a phased approach. A “transitional adjustment” for the 2006 grant cycle was developed.

## SRFB’S ALLOCATION DECISIONS

At its April 2006 meeting, the SRFB considered the ITF’s two options, shown in **Table 1**. The SRFB agreed that the options moved towards the more “ideal” system, but that immediate implementation would be difficult. The SRFB decided to adopt a “transitional adjustment” that moved toward the funding options recommended by the ITF. In June, the SRFB made some revisions and adopted its final allocation percentages for 2006. See **Table 2**.

The SRFB acted with the understanding that in the future, as early as the 2007 grant cycle, it would revisit the pre-allocation target percentages. In addition, the SRFB decided to allocate 100 percent rather than 90 percent of its likely available grant funding through a pre-allocation target process. The SRFB chose not to retain any project funds for its additional discretionary distribution in December.

The following considerations were used to develop the ITF’s “transitional adjustment:”

- Coast – The lead entities indicated they would consider moving towards a regional-scale approach.
- Lower Columbia – Completed recovery plan. ITF recommended awarding a higher percentage but the figure presented in the two options would be too large to accommodate all at once.
- Mid-Columbia – Completed recovery plan. ITF recommended an increase from historical funding levels but not as high as 2005.
- Northeast – The lead entity currently represents one of six WRIAs in the region, but should consider moving to a regional-scale approach. ITF recommended the percentage of funding be increased in the future but at this time it be kept consistent with the past year’s funding, pending the outcome of multi-WRIA regional approach.
- Puget Sound – Completed recovery plan. ITF recommended a smaller reduction in this area’s target percentage because the full reduction would be too large given the complexity of the region, and too large to accommodate all at once.
- Hood Canal – The regional organization has a recovery plan that covers all four Hs (hatchery, harvest, hydropower, and habitat), and the Chinook portion of its recovery plan is integrated with Puget Sound Chinook recovery plan. The ITF recommended keeping the percentage of funding at the current and historical level.
- Snake – Completed recovery plan. The ITF recommended a slight increase from the past year’s funding, and a larger increase than historically given.

- Upper Columbia – Completed recovery plan. The ITF recommended increasing funding from the 2005 levels to at least the historical level.

**Table 1** shows, by region, the amounts received historically, the amounts that would result from the two options, and the recommended transitional adjustment – all shown as a percentage of the available funding.

**Table 1: ITF’s Recommended Pre-allocation of Funds**

Regional Area	Historic 2001-2005 %	Option I %	Option II %	Transition%
Coast	10	11	13	9
Lower Columbia	7	29	23	17
Mid-Columbia	6	7	8	8
Northeast	2	3	5	3
Puget Sound	57	27	29	41
Hood Canal	6	7	7	6
Snake	3	8	6	6
Upper Columbia	9	8	9	10

The ITF presented two options to the SRFB as well as its preferred “transition” percentage for each region. The SRFB took this into consideration when deciding on its approved percentages reflected in **Table 2**. Additionally, \$250,000 was added to Puget Sound’s pre-allocation target in recognition of Hood Canal’s dual role as a regional organization focusing on listed summer chum, and also providing the middle Hood Canal contribution for Puget Sound Chinook being addressed by the Puget Sound Shared Strategy.

**Table 2: SRFB’s Final Pre-allocation of Funds**

	Regional Area	Historic 2001-05	SRFB Approved	Pre-allocation Target (June 2006)	Additional Project Funds	Grand Total
		% of Total	% of Total	\$		
Project Grants	Coast	10	8	\$1,318,080		\$1,318,080
	Lower Columbia	7	15	\$2,471,400		\$2,471,400
	Mid-Columbia	6	10	\$1,647,600		\$1,647,600
	Northeast	2	2	\$329,520		\$329,520
	Puget Sound	57	45	\$7,414,200		\$7,664,200
	Hood Canal	6			\$250,000	
	Snake	3	9	\$1,482,840		\$1,482,840
	Upper Columbia	9	11	\$1,812,360		\$1,812,360
	<b>Total for projects</b>				<b>\$16,476,000</b>	<b>\$250,000</b>

## PART II – REVIEW PANEL COMMENTS ON REGIONAL PROCESSES AND EVALUATIONS OF STRATEGIES AND PROJECTS

Review Panel evaluations and comments differ depending on whether project lists were generated on the basis of recovery plans, or from lead entity strategies in areas not covered by recovery plans, see **Table 3**. The Panel only evaluated strategy quality and fit of their lists to strategies for six lead entities (Klickitat, Grays Harbor, Pacific, Quinault, Pend Oreille, and part of NOBLE (WRIA 20)) where no recovery plans have been developed. Therefore, for most of the state, the Panel evaluated projects only to ensure that they were technically sound, and began to serve in an “oversight” role.

**Table 3: Review Panel Evaluations by Lead Entity and Region**

Salmon Recovery Region	No Recovery Plan Strategy Review	Lead Entity Participating in Recovery Plan Overview Only
<b>Coast</b>	Grays Harbor	
	Pacific	
	Quinault	
	WRIA 20 (NOBLE)	
<b>Upper Columbia</b>		Chelan Okanogan
<b>Puget Sound/Hood Canal</b>		Hood Canal
<b>Puget Sound</b>		Island King 8 King 9 Kitsap Mason Nisqually NOBLE Pierce San Juan Skagit Snohomish Stillaguamish Thurston WRIA 1 - Nooksack
<b>Northeast</b>	Pend Oreille	
<b>Middle Columbia</b>	Klickitat	Yakima
<b>Lower Columbia</b>		Lower Columbia
<b>Snake</b>		Snake

Regardless of the basis for project lists, the Panel reviewed all projects to ascertain projects of concern. The questions and criteria used by the Panel to evaluate projects, project lists, strategies, and regional processes are contained in SRFB Manual 18.

The basis for all of the Panel’s project evaluations and other comments in this report included:

- Project site visits.
- Observations from attendance at local technical and citizens committee project evaluation and ranking processes used by the lead entities and regional organizations.
- Information submitted with applications by lead entities and regional organizations.
- Discussions with lead entities, project sponsors, and regional organizations during meetings with the Review Panel from October 23-27.

## REVIEWS OF REGIONAL PROCESSES

PUGET SOUND, HOOD CANAL, LOWER COLUMBIA, MID-COLUMBIA/YAKIMA, UPPER COLUMBIA, AND SNAKE

In the last grant round, the Review Panel evaluated the fit of project lists to regional recovery plans and commented on the relationships between lists and plans, but did not evaluate or rate recovery plans. This year, the Panel did not evaluate the fit of project lists to recovery plans, or evaluate any other aspect of recovery plans or the relationships of project lists to those plans. Instead the Panel provided narrative comments on the processes used by the six regional recovery organizations. This was based in response to the three sets of key questions that were aligned with the Review Panel “oversight” checklist in SRFB Manual 18, Appendix D, and the Information Submission Questionnaire submitted with project lists. Attachment 3 contains the Panel’s comments on the following three sets of questions, for each region:

- Internal funding allocations
- Local technical review processes
- Evaluation processes and project lists

### **Regions’ Internal Funding Allocations**

The purpose of this question was to discern how allocation issues across watersheds within regions were addressed. The Review Panel noted that approaches to allocation varied. Most regional organizations did not use an apriori allocation or formula approach, but instead applied some form of technically oriented prioritization scheme to prioritize projects across their regions. Several regions (e.g., Puget Sound, Mid-Columbia, Coast), used percentage allocation approaches based on information on funding levels from previous grant rounds or based on a system similar to that developed by the Issues Task Force. Where allocation percentages were used, however, they were often intended to be transitional, leading toward development and use of prioritization or sequencing approaches in future rounds.

**Local Technical Review Processes** – In this section, the Review Panel presents its observations on the local and regional technical review processes and their relationships to development of lead entity project lists associated with regional recovery plans.

Considerable information was provided to the Panel by the regional organizations. This covered their technical review steps and technical committees' membership (although areas of expertise were rarely identified). All regional organizations relied on some form of local technical team operating at the regional scale, which in one case was provided by a NOAA Technical Recovery Team. Transparency of these processes to the Panel was enhanced when regional technical review comments on projects were made available to the Panel, along with any technical and non-technical responses and adjustments based on those comments.

The Panel was invited on many project site visits and in some cases was invited to attend pre-application technical meetings at which project lists were discussed at the regional scale. Only two regional organizations invited the Panel to attend their citizens' committee meetings to observe the interactions between technical and non-technical aspects, and final approval of project lists for submission to the SRFB.

In summary, based on available information and notwithstanding improvements that could be made, the Panel found that for this grant round the technical review mechanisms of regional organizations were credible and effective.

**Evaluation Processes and Project Lists** – This section presents the Panel's understanding of evaluation and list development mechanisms for each regional organization, and how those organizations worked to ensure consistency of project lists with regional recovery plans and local priorities. In general, although the level of detail provided to the Panel varied among regions, the information reviewed was thorough in outlining the regional organizations' evaluation and ranking criteria, prioritization, and scoring schemes.

Most regional organizations and many lead entities pointed to ongoing work to develop multi-year habitat implementation plans or work schedules that, if well aligned with the highest and focused priorities in regional recovery plans, could be a substantial improvement over the past incremental approaches to identification and recruitment of highest priority projects.

This category of questions sought information from regional organizations about not just the technical evaluation process itself, but also about the interactions between the technical and non-technical processes and how they were brought to bear on project list development and approval. The type and extent of such information received by the Panel varied; most information submitted was fairly general and greater transparency would have been very helpful. In most cases however, the Panel had sufficient information and found the regional evaluation processes to be logical and clear.

## STRATEGIES AND FIT OF LISTS TO STRATEGIES

KLICKITAT, GRAYS HARBOR, PACIFIC, QUINAULT, PEND OREILLE, AND PART OF NOBLE (WRIA 20)

**How Strategy Quality and Fit of Lists to Strategies Were Evaluated** – For lead entities whose project lists were not based on recovery plans, the approach used by the Review Panel to evaluate strategy quality and fit of lists to strategies was identical to that used in the previous (2005) grant round. Strategy quality was addressed for the following six categories:

- Species
- Watershed and marine ecological processes
- Habitat features
- Actions and geographic areas
- Community issues
- Certainty

In addition, the Panel's evaluation of how well project lists reflected priorities in lead entity strategies addressed two categories:

- Habitat restoration and protection actions and geographic areas
- Fit of project ranking on lists

For each category, the Review Panel provided a rating of excellent, good, fair, or poor, and the rationale for the rating as well as a brief narrative supporting the rating (Attachment 4).

To determine the rating, the Panel applied the definitions of "excellent" from SRFB Manual 18 Appendix D associated with the eight rating categories. Given the upper bound set by the definitions of excellent, any lower ratings (good, fair, and poor) were determined by judging how well the projects addressed the questions the Panel considered in each category as posed in SRFB Manual 18.

**Strategy Quality Results** - The six lead entities not involved in recovery planning received ratings for strategy quality (**Table 4**). In general, the strategies of these lead entities had only been slightly modified from the 2005 grant round. Thus with a few exceptions the strategy quality ratings for the six lead entities in this round are almost identical to what they received in the last round. In some cases, ratings improved due to the inclusion of some new information or analyses.

As noted in Review Panel comments on the 2005 round, ratings for Watershed and Marine Ecological Processes and Certainty were among the lowest of all categories rated. Understanding, identifying, and prioritizing the underlying (causal) watershed or marine ecological processes (e.g., delivery and routing of wood, sediment, water, heat, nutrients) with specificity remains challenging. The certainty rating was affected by the type and extent of technical information (e.g., data, modeling) available for use in strategies, as well as the extent to which available information was actually applied in the strategy. Availability of data and analytical tools are limited for some lead entities. None of the lead entities received excellent ratings for these two strategy quality categories.

The SRFB criteria for the Community Issues category are complex, emphasizing not just having community support for projects on lists but also the need for strategies to include a focused strategic approach to identifying and obtaining support where it is needed to address the highest priority actions and areas. This complexity made it challenging for strategies to achieve excellent ratings. Most strategies reflect a rather general approach, emphasizing considerable but broad outreach efforts and processes intended to build general support within lead entity areas. Fewer strategies took the more difficult additional step of identifying specific issues and areas presenting substantial obstacles that inhibit progress on biological priorities, and then articulating a focused and prioritized strategy to address those obstacles.

**Fit of List to Strategy Results** - Ratings for fit of lists to strategies were also provided for the six lead entities not involved in recovery planning **Table 4**. Most of the ratings for these categories were favorable, indicating that projects were well matched to the highest priorities outlined in their strategies. It also may be due in part to the relatively small numbers of projects (three or less) submitted by these lead entities (project lists for two of the six lead entities contain only one project).

**Table 4: Review Panel Rating Summary Chart**

Lead Entity	Strategy Quality						Fit to Strategy	
	Specificity and Focus					Certainty	Actions/Areas	Rank order
	Species	Process	Habitat	Actions/Areas	Community			
Klickitat	Excellent	Good	Excellent	Excellent	Excellent/Good	Good/Fair	Excellent	Excellent
Grays Harbor	Excellent	Good/Fair	Good	Good	Fair	Good/Fair	Excellent	Excellent
WRIA 20	Excellent/Good	Good	Good	Good	Fair	Good/Fair	Excellent	NA
Pacific	Good	Fair	Good	Good/Fair	Fair	Fair	Excellent	NA
Quinault	Excellent	Fair	Good	Fair	Fair	Poor	Fair	Fair
Pend Oreille	Excellent	Poor	Good	Excellent	Excellent	Good/Fair	Excellent	Excellent

## EVALUATION OF PROJECTS – ALL REGIONS AND AREAS

Although the SRFB moved to the pre-allocation and regional-based review methods for most areas of the state, it continued with its policy to conduct project-specific review of all project lists for possible “projects-of-concern (POCs)”. This portion of the Panel’s report presents the Panel’s review process, and POC determinations.

Starting in spring 2006, and well before the September 2006 application submission deadline, the Panel was invited to make site visits and participate in early field and/or office reviews of 186 potential projects around the state. Of these, the Panel identified 54 that were of concern. At that early stage of project development and review it is not unusual for even beneficial projects to have limited descriptive materials. After these pre-application project review steps, a total of 119 projects were submitted to SRFB by the application deadline of September 18. Four projects were determined by staff to be ineligible or applicants withdrew the projects from further consideration leaving 115 projects for the Panel to evaluate.

Panel members then evaluated all remaining projects to determine if any had low benefit to salmon, were unlikely to be successful, or were not cost-effective (identified as POCs). They did not otherwise rate, score, or rank projects.

### **Supplemental Project Reviews**

To supplement the Panel’s evaluations, separate technical review was conducted for three categories of projects: Non-capital (assessments) (15 projects), fish passage (24 projects), and marine nearshore (22 projects).

#### **Non-capital (Assessments) Reviews**

The SRFB’s funding of non-capital projects has increasingly emphasized projects that show a direct link to the identification and implementation of protection and restoration projects. As a result, this year a Panel sub-committee was used to evaluate the applications geared toward assessing habitat conditions and developing designs for restoration. The sub-committee reviewed 15 individual non-capital projects. The review was based on the language and guidance provided in SRFB Manual 18, and the *Guidance on Watershed Assessment for Salmon* published by the Joint Natural Resource Cabinet.

#### **Fish Passage Reviews**

The Washington Department of Fish and Wildlife’s Habitat Program Technical Application Division reviewed all the fish passage projects.

For screening, passage, and passage design projects, the Department of Fish and Wildlife team concentrated on two areas for each project – engineering and biological review. The engineering review included the preliminary engineering data along with any conceptual designs. The biological review consisted of verifying the priority index number, if calculated, or calculating a surrogate priority index number whenever stream channel data were provided.

Review of screening projects focused on verifying the Screening Priority Index (SPI) number, or calculating that number whenever data was provided. Flow rates through the pump or diversion, species present, stock mobility, stock status, and project cost were considered while calculating Screening Priority Index numbers.

### **Marine Nearshore Reviews**

To bolster Panel evaluations of marine nearshore and estuary projects, supplemental reviews of these projects were provided to the Panel by the Puget Sound Nearshore Ecosystem Restoration Project and Implementation Team. Two nearshore guidance documents identified in SRFB Manual 18 were used to evaluate these types of projects (*Guidance for Evaluating SRFB Nearshore Assessments* and *Guidance for Protection and Restoration of the Nearshore Ecosystems of the Puget Sound*).

### PROJECTS OF CONCERN

After the application deadline, three applicants withdrew their projects and one project was determined to be ineligible leaving 115 projects for full review by the Panel. Of those, the Panel determined that nine projects were “draft” projects of concern (DPOC).

**Table 5** shows the number of POCs for each lead entity as the review and revision process progressed over time. As of the date of this report, only one project remains a project of concern.

Attachment 5 contains evaluation criteria for projects and Attachment 6 contains the project evaluation forms for each project of concern.

**Table 5: Number of Projects and Projects of Concern**

PPOC = Potential project of concern; DPOC = Draft project of concern; POC = Final project of concern

Lead Entity	# Of Eligible Projects (Sep. 18)	PPOCs (Sep. 18)	PPOCs (Oct. 20)	DPOCs (Nov. 6)	POCs (Nov. 15)
Chelan	6	1			
Grays Harbor	3				
Hood CC	8	2	2		
Island	1		1	1	
King 8	3		1		
King 9	3	1	1		
Kitsap	6	1	1	1	
Klickitat	2				
LCFRB	12	3	1		
Mason	5				
Nisqually	2				
NOPL	4				
WRIA 2 (NOPL)	1	1	1		
Okanogan	7	3	3	1	
Pacific	1		1		
Pend Oreille	3	1	1		
Pierce	3				
Quinault	2		1		
San Juan	4	3	3	3	1
Skagit	7				
Snake	13	6	6	1	
Snohomish	4	1			
Stillaguamish	2		1		
Thurston	3				
WRIA 1	4	2	2	1	
Yakima	7	1	1	1	
<b>TOTAL</b>	<b>115</b>	<b>25</b>	<b>27</b>	<b>9</b>	<b>1</b>

On October 19-20, the Panel deliberated on each of the 115 eligible projects and considered potential POCs. Some applicants withdrew projects after October 20 leaving 113 eligible projects as of November 6<sup>2</sup> (Table 6). Further withdrawals and modifications brought the total back up to 115 eligible projects.

The evaluation forms of any projects designated as potential POCs were shared immediately with the respective lead entities, which in turn shared the information with the project applicants for comment or clarifications. The Panel evaluated all such comments received through October 27.

Lead entities and/or regional organizations met with the Panel from October 23-27 to discuss additional information and clarifications on projects and other matters. These

<sup>2</sup> After November 6, two more applicants voluntarily withdrew projects from consideration. Additionally, one applicant separated two projects into four projects for the ease of administering the projects without significantly changing either the scope of work or the costs.

presentations focused on the processes within regions that were used to prepare one prioritized list of projects, or as in the case of Puget Sound and the Middle Columbia, multiple prioritized projects lists from lead entities in the region.

Additionally, the presentations focused on POCs where the lead entity or applicant provided new information to assist the Panel's understanding of these projects. Any revised POC determinations were shared with lead entities, regional organizations, and project applicants by October 30.

The draft of this report was distributed in two phases. On November 6, Appendix 3 (Regional Processes-Review Panel) and Appendix 4 (Lead Entity Strategies and Lists-Review Panel Evaluations) were distributed to affected lead entities. On November 9, the entire draft report and all appendices were distributed.

Regional organizations, lead entities, and project applicants were given until November 14 to review the draft report and provide comments. The Review Panel met on November 15 to consider the comments received on the draft report and was able to reduce the final number of POCs from nine to one. Comments were received from two lead entities on their strategy ratings and narratives that were incorporated in Appendix 3. One regional organization and two lead entities commented on text in draft overviews of regional processes, and this was incorporated into Appendix 4.

Materials submitted after November 17 were not able to be included in this report.

## PART III – STAFF REPORT

### INTRODUCTION

The SRFB made most of its decisions on how funding would be allocated on June 9-10, 2006 based on work done by the Issues Task Force. The SRFB decided that instead of funding each lead entity individually, funding would be allocated to the various regional areas (including those with the lead entities not involved in regional recovery plans) before submission of project lists.

### THE ROLE OF THE RESPONSES TO THE “HOMEWORK ASSIGNMENT”

An important basis for the final decision by the SRFB to allocate funding by regional area was the response to what has been termed the “homework assignment.” In April, the SRFB made a tentative decision to allocate funding by regional areas, but wanted to understand how regional areas would implement that process. The SRFB asked each regional area to answer a set of questions and explain how they proposed to make their internal allocations, and conduct localized technical review. After reviewing the responses in June, the SRFB agreed that it was reasonably comfortable with the processes proposed by each regional area, and finalized the decision to allocate funding by regional area. The SRFB also acknowledged that some flexibility was important because the change to a region-based target allocation is a fundamental shift.

### CRITERIA FOR SUCCESS

In September, the SRFB discussed what criteria it might use to evaluate how successful regional areas were in implementing the new region-driven funding process. The original idea was to measure success against these criteria and consider reducing or delaying funding allocations if the criteria were not adequately met. Four criteria were proposed:

1. Is the regional process focused on the priorities of the recovery plan?
2. How did the process use the recovery plan?
3. How did the internal independent science review process work?
4. Are affected parties, primarily lead entities, supportive of the results?

The SRFB decided it did not want staff to prepare recommendations for December, including whether funding allocations would be delayed or reduced. The SRFB did indicate general interest in staff comments or assessment of this year’s process. The SRFB also agreed that the basis for evaluating how well the local allocation and technical review processes worked would be to compare them to the proposed process outlined by each regional area (as discussed in their responses to the homework assignment, reviewed by the SRFB in June).

A summary of comments associated with each of the four criteria follows below, based on observations of the Review Panel and staff. Note these comments are of a general nature only, and are not associated with individual regions.

1. Is the regional process focused on the priorities of the recovery plan?  
Yes, regional processes appear to be focused on the priorities of recovery plans.
2. How did the process use your recovery plan?  
Recovery plans formed the basis for project priorities and development of project lists at the watershed and regional levels.
3. How did the internal independent science review process work?  
All regional organizations used some form of local technical review process. This function was fulfilled in some cases by lead entity technical advisory groups, regional technical teams, or in one case by a NOAA Technical Recovery Team. In each case, members represented a diversity of agencies and organizational perspectives. These teams provided comments on implementation plans, individual projects, and/or provided scores or ranks on projects in the formation of project lists.
4. Are affected parties, primarily lead entities, supportive of the results?  
To date, it appears that lead entities, regional organizations, and project sponsors are generally supportive of the approach used this grant round.

## PROJECTS OF CONCERN

At its September meeting, the SRFB decided that it would allow Projects of Concern (POCs) to be included on project lists submitted at the December meeting. However, if the SRFB is not convinced to fund a project designated by the Panel as a POC, the lead entity or regional organization may not be allowed to move down the list or substitute another project to access their full target allocation. Instead the allocation could be reduced by the amount of the POCs that the SRFB decided not to fund.

The intent of this policy was both to signal that the SRFB likely will not fund POCs, and to ensure that lead entities and regional organizations are convinced of the merits of a POC before deciding to submit it to the SRFB for funding consideration in December. Lead entities and regional organizations have been informed that they have up to December 4 to withdraw any POCs from their lists.

Attachment 7 and its summary in **Tables 6a and 6b** below, list the eligible projects by salmon recovery regional area and lead entity with the amount of requested SRFB funds and the associated match provided by applicants. Additionally, the table illustrates the SRFB funds requested and the pre-allocation funding target established by the SRFB in June 2006. It also shows the regional organizations' recommended funding for lead entities within a region.

## ADJUSTMENTS TO SUBMITTED PROJECT LISTS

From the time of the SRFB's pre-allocation decisions in June through the September application deadline, lead entities and regional organizations worked collaboratively to meet their pre-allocation funding targets. In some instances, subsequent POC or conditioning information from the Review Panel presented additional internal allocation challenges for regional organizations. This proved difficult when lead entities and regional organizations could not reach agreement on whether to continue to pursue funding for a project noted as a POC. Or, in some cases, it took these groups some time to determine how to adjust their project lists if the Panel removed POC designations after November 14 in response to new information.

Therefore, on November 2, SRFB staff notified applicants that they could make adjustments in project costs through December 4 because they (lead entities and regional organizations) needed additional time to work with SRFB grant managers to make any changes in the scope of work and budget for all changed projects. A "changed" project was defined as:

- Any "conditioned" project, whether the POC designation had been removed or would be removed when the applicant accepts the condition.
- A project where the POC designation was removed on November 15 after the Panel considered any new information submitted by lead entities and regional organizations.
- A project that had been modified, without a significant change in scope, to meet the intra-regional funding allocation determined by the regional organization and its partners.

SRFB staff will prepare updated spreadsheets for presentation to the SRFB so this more current information will be used during the SRFB meeting on December 6-7.

Therefore, from November 2-17, some applicants informed staff of changes to their projects while others will wait until December 4 to announce changes. Due to the November 20 completion date of this final report, information on any changes made to projects after November 17 will be available at the SRFB's December 6-7 meeting.

Lack of information on changes made to projects between November 17 and December 4 creates a challenge to the SRFB and staff because insufficient time was available to determine whether:

- Any changes in a project's scope of work is significant enough to require another review by the Panel to re-evaluate potential to be a project of concern.
- The Panel can be used to re-evaluate the project.
- The costs have changed enough that it affects a lead entity's or region's pre-allocation of funds.

**Table 6a: Summary of Regional Requests**

<b>Regions</b>	<b>Requested</b>	<b>Pre-Allocation Target</b>	<b>(Over) / Under Target</b>
Coastal Regional Areas	\$1,313,860	\$1,318,080	\$4,220
Hood Canal Region	\$1,061,601	\$940,000	(\$121,601)
Lower Columbia Region	\$2,671,112	\$2,471,400	(\$199,712)
Mid Columbia Region	\$1,918,425	\$1,647,600	(\$270,825)
NE Regional Area	\$278,632	\$329,520	\$50,888
Puget Sound Region	\$9,081,047	\$6,727,000	(\$2,354,047)
Snake Region	\$1,457,774	\$1,482,840	\$25,066
Upper Columbia Region	\$2,770,103	\$1,812,360	(\$957,743)
<b>TOTAL</b>	<b>\$20,552,554</b>	<b>\$16,728,800</b>	<b>(\$3,823,754)</b>

**Table 6b: Summary of SRFB Requested and Pre-allocated Funds**

Region	Eligible Projects	SRFB Request	Sponsor Match	Project Total	Pre-allocation	Difference Between Pre-allocation and SRFB Request	POCs *
<b>Coastal</b>	6	\$1,313,860	\$980,505	\$2,294,365	\$1,318,080	\$4,220	
<b>Hood Canal</b>	8	\$1,061,601	\$909,109	\$1,970,710	\$940,000	-\$121,601	
<b>Lower Columbia</b>	13	\$2,671,112	\$2,242,767	\$4,913,879	\$2,471,400	-\$199,712	
<b>Middle Columbia</b>							
Yakima Basin FWRB	7	\$1,540,471	\$928,124	\$2,468,595	\$1,269,646		
Klickitat County	2	\$377,954	\$485,203	\$863,157	\$377,954		
<b>Sub-total</b>	9	\$1,918,425	\$1,413,327	\$3,331,752	\$1,647,600	-\$270,825	
<b>Northeast Region</b>	3	\$278,632	\$53,056	\$331,688	\$329,520	\$50,888	
<b>Puget Sound</b>							
Island County	1	\$179,115	\$59,400	\$238,515			
Kitsap County	6	\$588,650	\$311,250	\$899,900			
Mason Conservation District	5	\$316,000	\$352,800	\$668,800			
Nisqually River Salmon Recovery	2	\$425,972	\$75,740	\$501,712			
North Olympic Peninsula	4	\$1,128,223	\$374,750	\$1,502,973			
Pierce County	3	\$774,500	\$4,943,758	\$5,718,258			
San Juan County Com Dev	4	\$416,092	\$384,901	\$800,993			1
Skagit Watershed Council	7	\$1,186,376	\$238,129	\$1,424,505			
Snohomish County	4	\$630,000	\$699,843	\$1,329,843			
Stillaguamish	2	\$432,000	\$93,431	\$525,431			
Thurston County Conservation Dist	3	\$345,200	\$115,700	\$460,900			
WRIA 1 Nooksack	4	\$1,197,919	\$362,927	\$1,560,846			
WRIA 8 (King County)	2	\$900,000	\$6,430,100	\$7,330,100			
WRIA 9 (King County)	3	\$561,000	\$2,429,500	\$2,990,500			
<b>Sub-total</b>	50	\$9,081,047	\$16,872,229	\$25,953,276	\$6,727,000	-\$2,354,047	
<b>Snake</b>	13	\$1,457,774	\$385,810	\$1,843,584	\$1,482,840	\$25,066	
<b>Upper Columbia</b>	13	\$2,770,103	\$1,320,766	\$4,090,869	\$1,812,360	-\$957,743	
<b>TOTAL</b>	<b>115</b>	<b>\$20,552,554</b>	<b>\$24,177,569</b>	<b>\$44,730,123</b>	<b>\$16,728,800</b>	<b>-\$3,823,754</b>	<b>1</b>

\* POCs= Projects of concern

## GENERAL OBSERVATIONS AND CONCLUSIONS

### 1. How were the regional review processes implemented?

SRFB staff believes the regional organizations generally complied with the processes laid out in their responses to the homework assignment reviewed last June.

This is based on the Review Panel's evaluation of the information submitted as part of the Information Submission Questionnaire (Attachment 3), and a review by SRFB staff comparing information in the questionnaire to information in the homework. In some cases there were departures from what regional organizations planned to do<sup>3</sup>. Staff did not do a detailed analysis, but did a quick comparison of the homework assignment and the questionnaire and also relied on the regional reports and presentations.

Staff also noted that lead entities were invited to submit their own questionnaires. In reviewing these, we received no written feedback from lead entities indicating dissatisfaction with the regional process. There have been side conversations with SRFB staff on specific issues, but these tended to be situational and nothing formal was submitted.

In general, the overall process seemed to largely work as desired. Several specific notes:

- Addressing WRIA 20's situation (separating the Puget Sound component of NOPL from the coastal "regional component") proved to be a complex issue, but progress was made. WRIA 20 took part in the conversations with the other three coastal lead entities, and its funding is coming from that coastal allocation.
- Both the coast and the northeast took seriously the charge from the SRFB and moved down the path of creating a regional-based decision-making process. SRFB staff is impressed with the process and progress made in both of these areas.
- Some regional organizations used a pre-proposal workshop or conference process, before final project proposals were submitted for full review and ranking at the local level. This seemed to help project sponsors develop projects that were of better quality and more strategically aligned with recovery plans.

### 2. What were some strengths of the region-based process?

For the most part, regional organizations and areas successfully conducted their own allocation processes and technical review (fit of the projects and lists to their

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<sup>3</sup> For example, lack of expansion of the Hood Canal technical team to include Puget Sound Technical Review Team and SRFB Review Panel participants, and creation of a combined Hood Canal chum and Chinook project list as opposed to two separate lists. Also, Lower Columbia did not rank pre-proposals.

regional recovery plans or their strategies). Decision-making was successfully driven down to the regional level.

In addition, prioritized project lists were submitted at the regional scale from four regional organizations (Hood Canal, Lower Columbia, Upper Columbia, and Snake). Two of these regional organizations are lead entities, but two of them (Hood Canal and Upper Columbia) have submitted multiple lead entity lists in past rounds. Taking the extra effort to prepare a single regional project list further enhances and coordinates the implementation of recovery plan priorities.

### **3. What are some of the major decisions before the SRFB?**

SRFB staff has identified the following major decisions that the SRFB needs to consider in finalizing the funding allocations in December:

- Allow ‘alternates’ on longer lists?  
Assuming a regional organization’s or area’s overall process and specific project list is acceptable, the SRFB may wish to consider approving the full list even if current SRFB funding will not reach all the way down that list. This could have two benefits: (1) Unfunded projects submitted to other funders may benefit from the display of SRFB’s approval, and (2) unfunded ranked projects could be used as a list of approved alternates in the event other projects on the list do not need to use the full funds originally requested. A potential downside is that having such ‘unused’ funds go further down a 2006 list rather than being retained by the SRFB means SRFB has fewer resources for any cost increase requests. Also, keeping track of alternates may be more difficult for SRFB staff. In addition, lead entities may have submitted more projects had they known that alternates might be considered for later funding.
- Should SRFB fund any “Project of Concern?”
- How to use the “Criteria for Success?”  
Is there any constituent or SRFB request for additional staff review of performance using these criteria? OR, does the SRFB need to use the criteria as a formal checklist in their deliberations? As noted, staff and the Review Panel indicate overall consistency between the criteria and the work of the regions.
- Oversubscribed allocations  
For the regional organizations and areas that submitted project requests beyond the level of funding available, staff has not sought to craft any alternative options, but has deferred the issues to the respective regional organization or area for their internal decisions. The SRFB may wish to clarify whether it will exercise any role in this regard.

## PART IV – NEXT STEPS

This final report was distributed to the public, SRFB, lead entities, and regional organizations on November 20 for their review and comment by November 30.

Information on any changes in a project's scope of work or cost made after November 17 was not included in this report but will be made available at the SRFB's December 6-7 meeting.

Comments received during this review period, together with any project-specific changes identified by December 4, will be compiled by staff on December 4-5. All comments and information will be brought to the SRFB in its public meeting on December 6-7, 2006 for it to consider when awarding grants. The meeting will be in the Comfort Inn Conference Center, Evergreen Room, Tumwater, Washington.

A copy of the final report will be available at the SRFB Web site:  
[www.iac.wa.gov/srfb/grants/funding.htm](http://www.iac.wa.gov/srfb/grants/funding.htm).