

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

May 1 & 2, 2008

Confluence Technology Center
Wenatchee, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

Steve Tharinger (Chair)	Clallam County
Harry Barber	Washougal
David Troutt	DuPont
Don "Bud" Hover	Okanogan County
Bob Nichols	Olympia
Carol Smith	Designee, Conservation Commission
Melissa Gildersleeve	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife

MEETING CALLED TO ORDER

Chair Steve Tharinger opened the meeting at 11:05 a.m.

Chair Tharinger welcomed our new board members and introduced Shilo Burgess from the office of State Senator Linda Evans Parlette, of the 12th Legislative District. Shilo welcomed the Salmon Recovery Funding Board (SRFB) to the 12th district, and expressed the Senator's excitement to work with the board.

Chair Tharinger determined that the board met quorum.

Bud Hover introduced Julie Morgan, the Executive Director of the Upper Columbia Salmon Recovery Board, James White, the Data Steward for Upper Columbia Salmon Recovery board, and Char Beam, the Natural Resource Planner for Okanogan County.

Kaleen Cottingham called the board's attention to late additions to the notebooks.

Bud Hover **MOVED** to approve the May 2008 Meeting Agenda as presented. Bob Nichols **SECONDED**. Board approved agenda as presented.

REVIEW AND APPROVAL OF FEBRUARY 2008 MEETING MINUTES

Bud Hover suggested that on page 11 of the February minutes, the sentence "Steve Tharinger made a MOTION to approve option four", be changed to "entertained the MOTION" since a chairman cannot make a motion. Chair Tharinger agreed to change the language to "Steve Tharinger asked for a MOTION to approve option four."

Bud Hover **MOVED** to approve Resolution #2008-005, the February 2008 meeting minutes as corrected. Bob Nichols **SECONDED**. Board **APPROVED** February 13 – 14, 2008 minutes as corrected.

Resolution #2008-05 APPROVED

MANAGEMENT AND STATUS REPORTS:

Recreation and Conservation Office (RCO) Director Kaleen Cottingham provided this agenda item. (See notebook item #3 for details)

Director's Report:

Kaleen Cottingham highlighted a few items from the report.

- Staff Update
 - Rebecca Connolly was introduced as the RCO's new board liaison. Rebecca also will serve as the performance manager, public documents manager, and contracts manager.
 - Moriah Blake was introduced as the new administrative assistant for the Salmon Section and the Salmon Recovery Funding Board.
- Grants
 - RCO has received tentative approval of an Environmental Protection Agency grant for monitoring. The grant provides \$500,000 for creating a Pacific Northwest Data Node for Puget Sound to show fish abundance. RCO applied for this grant primarily on behalf of the Puget Sound Partnership. Future grants will include habitat indicators.
 - Kaleen announced that the RCO received word about the 2008 Pacific Coastal Salmon Recovery Fund (PCSRF) grant. RCO applied for \$25 million, of which \$17.5 was for habitat grants through the board. The award currently is estimated to be \$23.5 million. Kaleen hopes that National Oceanic and Atmospheric Administration (NOAA) will explain how to take the funding cut in the confirmation letter.

Chair Tharinger asked if the total funding from the federal allocation was reduced and where the \$1.5 million will be spent.

Kaleen responded that the current distributions of the funding request total \$25 million, and she does not yet know how the \$23.5 will be allocated. She also noted that the \$1.5 million cut may be reallocated to California.

- Berk Report Update

Kaleen explained RCO's agency reorganization, which will allow grant managers to spend more time on grant management. The Recreation and Conservation section will see a greater number of changes.
- Forum on Monitoring
 - The Forum's next meeting is scheduled for May 14, 2008. Bill Wilkerson is the new chair. Wilkerson also serves on the Leadership Council for the Puget Sound Partnership. The forum will focus on policy issues and finding ways to bring a cohesive approach to monitoring.

Berk Report Update

Rachael Langen, Deputy Director of the Recreation and Conservation Office, presented the Berk Report Update as part of the Management Status Report. (See notebook item #3 for detailed report.)

Rachael reviewed the findings and recommendations from a study conducted by Berk and Associates to address re-appropriation issues and grant manager workload. The report cites RCO workload as the most significant internal factor in project delay. The report recommends that RCO could address external factors and reduce re-appropriation by (1) ensuring appropriate scope and project readiness, and (2) proactively managing grants.

Three teams were created to follow up on the list of recommendations from Berk: Organizational Structure Team, Business Practices Team, and the Policy Recommendations Team. Rachael discussed the work of the Organizational Structure Team, highlighted possible concerns about funding new FTEs. An organizational chart will be provided at the next board meeting.

The study made two recommendations that are directly related to the Board:

1. Lead Entities need take on more responsibilities and monitoring for project completion.
2. The board should provide multiple funding opportunities throughout the year.

Chair Tharinger noted that he was pleased to see that the Berk report is creating more managerial and organizational changes instead of cultural change, particularly in maintaining positive relationships between grant managers and sponsors. He also mentioned that he has received feedback on the complexity of the board's application process, and he appreciates the RCO looking internally and moving the policy away from the grant managers into a structure.

Kaleen Cottingham added that the RCO kept positions vacant until the Berk Report was complete, so RCO could deploy the positions for the highest need.

Update on Executive Order 05-05

Rachael Langen, Deputy Director, presented the Update on Executive Order 05-05 as part of the Management Status Report. (See notebook item #3 for detailed report.)

In November 2005, the Governor signed Executive Order 05-05, to protect archeological and cultural resources that may be affected by projects that receive state funding. The order affects all capital budget projects, including the grant programs administered by the RCO. RCO staff is working toward compliance with the Executive Order for all Salmon Recovery Funding Board (Board) projects.

The compliance process begins with filling out Department of Archeology and Historical Preservation's (DAHP) EZ form, which determines whether or not a project will

adversely affect cultural resources. The goal of the process is to avoid inadvertent discovery of a culturally significant site. If the project is deemed to impact a site, DAHP will survey the area. Surveys incur costs, and can place delays on projects. Federally funded projects are typically exempt since are federal cultural resource preservation requirements, under Section 106 of the National Historic Preservation Act. Design only projects, Puget Sound Acquisition and Restoration (PSAR), and projects without earth turning also are generally exempted.

Rachael explained that NOAA is currently contesting whether it is responsible for the federal Section 106 consultation. NOAA argues that it is only a funding source, and does not control how the Board solicits, selects, or administers grants. Until this is resolved, RCO will ask the project sponsors to participate in the state's cultural resources review.

Chair Tharinger asked if the one hundred and ninety-three board funded projects that were exempted still need to go through the cultural resources process. Marc Duboiski, lead Grant Manager for the Salmon Section, answered that eighteen or nineteen projects with a federal fund source are being surveyed, but the other one hundred and seventy-five projects are fine.

Kaleen Cottingham mentioned that there is a challenge to NOAA's assertion that they do not have authority over the Section 106 process, and noted that in the time while this issue is being resolved the projects are being run through Executive Order 05-05.

Carol Smith asked if projects that are currently being run through 05-05 are coming out of individual project funding or if there is a separate funding source for cultural resources. Rachael Langen answered that funds were coming out of the individual projects, and Kaleen Cottingham added that 05-05 costs were an authorized expense. Carol asked if there was a way to build a more efficient structure on statewide basis for a variety of entities to use for funding cultural resources. Rachael responded that the RCO has just identified an existing staff person to manage 05-05 compliance, and that one of their responsibilities will be finding a more effective process for sponsors. Kaleen offered to share the 05-05 consultant report with Carol. Currently the only agencies that have allocated staff and money for 05-05 are Department of Natural Resources, Department of Transportation, and State Parks.

Rachael highlighted DAHP's database of identified spots of cultural resources. The point of 05-05 is to plan around cultural resourced and avoid inadvertent discovery. The RCO is working with the tribes to gather knowledge on any known tribal sites.

Chair Tharinger concluded the Management Status Reporting by asking for any final question. Board member Tim Smith asked Kaleen if the Invasive Species and Biodiversity Councils will be affected in the RCO reorganization.

Kaleen responded that changes did not involve the Invasive Species Council and Biodiversity Council. The three section managers will report to Rachael Langen, the

board coordinators for Invasive Species, Biodiversity, and Monitoring report to Kaleen, and policy staff will report to Jim Fox.

GOVERNOR'S SALMON RECOVERY OFFICE (GSRO) REPORT

Chris Drivdahl, GSRO, presented this agenda item. (See notebook item # 4 for details)

Chris Drivdahl called attention to the Joint Regional Letter listed as the fourth section of the GSRO Report. The letter was written by the Washington State Salmon Recovery Regional Organizations to Congress regarding the Pacific Coastal Salmon Recovery Fund (PCSRF). It is the first time all regional organizations issued a collective letter.

Chris noted that in two weeks, GSRO would host a policy summit for all regional organizations. Summit participants will discuss three very difficult issues regional organizations face: funding implementation of recovery plans, integrating plans with other watershed related issues, and monitoring project success.

Chair Tharinger asked about the policy summit's listed goal in the Council of Regions report as "to define our priorities and focus our work plan to achieve these goals."

Chris replied that Commissioner Betty Sue Morris from Vancouver will help develop a work plan to implement ideas that come out of the summit.

Tim Smith asked if the product from the summit will be recommendations, or specific work plans. Tim also asked Kaleen Cottingham if the results of the summit will be a future agenda item. Chris Drivdahl responded that GSRO will give the board a summary report, which she hopes will contain action items. Kaleen suggested that the board add the report to agenda for the July meeting.

LEAD ENTITY ADVISORY GROUP (LEAG) REPORT

Alex Conley, LEAG representative, presented this agenda item. (See notebook item #5 for details)

Lead Entities across the state are launching this year's board application round in their local areas. Local committees and coordinators are working with project sponsors to develop a strategic project list for board consideration in December.

In addition, a number of lead entities are holding public education and outreach events in May to highlight the role of lead entities in bringing together local communities to save salmon. With the leadership of North Olympic Peninsula Lead Entity coordinator, Cheryl Baumann, LEAG's Lead Entity Outreach committee has developed an advertising layout and theme: "Saving Salmon is Everyone's Business."

Lead entities also are working closely with Interlocking Software and WDFW to enter all active and proposed projects into the Habitat Work Schedule. LEAG will have all projects loaded and ready for viewing by the end of June.

WDFW has been working with lead entities to develop a proposal for increased lead entity support in the state's next biennial budget, which LEAG is hoping to have more fully developed over the next few months. Also, the Kalispel Tribe is the new lead entity administrator for Northeast Washington, which is currently administered by the Pend Oreille County Lead Entity.

Chair Tharinger asked Alex about (1) an estimated number of project applications, (2) if LEAG has hosted a preliminary meeting to discuss applications, and (3) if changing the name "lead entity" would better describe themselves to the broader public.

Alex noted that it is too early to make an estimate and answered that most people have not closed at application period. He also explained that lead entities were focusing on presenting and branding lead entities, rather than changing the name.

Jim Fox added that all board budget requests have to be submitted to the Governor by September 1. Budget requests will be discussed and decided at the July board meeting, but the board will begin discussion tomorrow during agenda item #17.

Tim Smith clarified that although the lead entity program is administered by the WDFW, it is funded through RCO.

Jim noted that board requests with budget implications go in with the fiscal budget. If there are not any budget implications, requests are submitted on September 29.

COUNCIL OF REGIONS (COR) REPORT

Steve Martin, COR chair, presented this agenda item. (See notebook item #6 for details)

Steve Martin introduced the new Council of Regions Chair, Julie Morgan. Julie serves as the Executive Director of the Upper Columbia Salmon Recovery Board. Steve thanked Kaleen Cottingham and Kay Caromile, RCO Outdoor Grant Manager, for attending Snake River Lead Entity Day WRIA 35.

Steve also thanked Brian Abbott for incorporating the COR's comments for the policy manual (Manual 18). He noted that one question that arose in the tenth round policy manual was the ineligibility of bank stabilization projects. COR wonders how the distinction is made between bank stabilization and fish habitat. He provided before and after photographs to raise awareness about the issue of bank stabilization.

Steve referred to Chris Drivdahl's mention of the policy summit and explained that COR will use the summit to guide work on monitoring, integration and implementation financing. COR appreciates the board's adoption of regional allocations, and would like the taskforce include a representative from each region.

Columbia Basin Region met to discuss the following issues:

- NOAA Restoration Center Partnership Opportunities - Polly Hicks worked with COR to explore joint partnership for project management and implementation.
- Columbia River Water Management Program - Derrick Sandison (Ecology) provided information on CRWMP and offered suggestions to link this program with salmon recovery plans.

Chair Tharinger asked Steve Martin about an estimated number of project applications in the Snake.

Steve estimated that the request will be well in excess of \$2 million, but noted that 20-30 percent of projects do not make it through the first cut. He will know by the June 6 deadline.

Tim Smith requested a future discussion with the WDFW and COR to ensure the nexus of the habitat work schedule between the regional organizations, as well as plan implementation.

MONITORING UPDATE

Steve Leider initiated this agenda item. (See notebook item #7 for details)

Steve Leider presented a brief overview highlighting the history of the Comprehensive Monitoring Strategy (CMS) and its recommendations, Intensively Monitored Watersheds (IMWs), expenditures, and progress. Monitoring is often viewed as a three legged stool of 1) effectiveness at project scale, 2) effectiveness at watershed scale, and 3) trends in fish and habitat conditions.

Board Discussion:

David Troutt asked about a clarification of monitoring expenditures. Bud Hover asked if funding will increase for monitoring. Kaleen Cottingham explained we are required to spend 10 percent of PCSRF funds on monitoring. Steve Leider added that NOAA considers a 10 percent allocation to be the minimum.

Harry Barber asked how much monitoring is going on with other agencies.

Tim Smith responded that the \$200,000 for effectiveness of nearshore and estuary habitat projects is hard to carry out without status and trends. He feels status and trends piece is an important part of monitoring.

Steve agreed that the Monitoring Forum had often experienced difficulties in monitoring and has responded by answering specific questions over time by distinguishing between projects and assessment.

Tetra Tech

Jennifer O'Neal from Tetra Tech EC, Inc. presented the fourth year of work testing the effectiveness of randomly selected board funded protection and restoration projects using a standardized statistically valid approach. Jennifer explained and provided

summary results from 2004 – 2007 for nine categories of monitoring being conducted by Tetra Tech, including: fish passage, instream structures, riparian plantings, livestock exclusions, constrained channels, channel connectivity, spawning gravel, diversion screening, and habitat protection. The presentation concluded by pointing out that Tetra Tech has been able to see statistically significant differences for some of the measured variables. Jennifer highlighted the need for a long-term monitoring program, explaining that data can help to improve future project designs.

Chair Tharinger inquired about how the board uses this data to prove the effectiveness of what they're doing. Jennifer O'Neal answered that all of the data is entered into the PRISM database to share information, perhaps through the lead entity process.

Steve Leider noted that Jennifer's presentation is the first presentation with results and represents projects statewide.

Bob Nichols asked if you could abstract out the types of board projects where there are demonstrated biological benefits. From a policy level, the board can use cost effectiveness information to put money where there are biological benefits.

Chair Tharinger agreed that if the board has data showing what is effective, they can put it into policy.

Bob Nichols commented that he is worried about the expansion of board's funding of monitoring. He raised the point that a variety of organizations are independently conducting monitoring and felt it would be beneficial if all organizations were all on the same page, with the hope that the Monitoring Forum will help pull together results for effectiveness.

Steve Leider responded that the Monitoring Forum is attempting to provide continuity among the data.

Chair Tharinger said that the board needs useful data so that it can use its funds at peak effectiveness.

Melissa Gildersleeve asked why Tetra Tech did not do water quality surveying, and Jennifer responded that Ecology has existing data that measure water quality. She also explained that when using the in-reach approach, water quality issues come from upstream, instead of the site.

Melissa pointed out that on the Entiat River, Ecology worked with EPA to do water quality and that the coordination saved money.

Intensely Monitored Watersheds

Bill Ehinger, Washington Department of Ecology, and Robert Bilby, Weyerhaeuser, provided an update on the status of Intensely Monitored Watersheds (IMWs). In 2004, the Salmon Recovery Funding Board asked that the Department of Ecology and

Department of Fish and Wildlife to conduct a scoping and feasibility of IMW and a review and analysis of potential IMW basins, with particular attention to listed Chinook salmon in Western Washington to answer the question: Are restoration dollars being invested wisely? Bill Ehinger provided monitoring data from projects in the Strait of Juan de Fuca, the Hood Canal Complex, the Skagit River Estuary, and the Lower Columbia Complex. Preliminary data shows a positive correlation between habitat restoration and increased fish populations, and future funding for monitoring efforts are recommended.

Board Discussion:

Bob Nichols asked how Bill and Robert measured out of stream conditions, such as ocean influences.

Robert Bilby answered that they evaluated fish behavior in freshwater, which limits the influencing factors.

David Troutt asked Bill Ehinger about developing a proposal for freshwater Chinook IMWs. David expressed concern about a lack of investment in monitoring in the Puget Sound.

Status and Trends Monitoring

Tim Smith from the Washington Department of Fish and Wildlife (WDFW) provided brief updates on monitoring status and trends of habitat and fish, and explained the WDFW's Fish In/Fish Out program, which is partially funded by the board. "Fish in" is defined as adults returning to the system and "Fish out" is juveniles exiting the streams. The program measures output productivity and environmental health.

Chair Tharinger noted the importance of discussions about the broad spectrum of projects in which the board is involved, because it is related to the roles and responsibilities of the board. Defining the board's role and prioritizing projects will help focus long term spending decisions.

Bob Nichols asked if there was a "lessons learned" document that is regularly updated and consolidates what has worked in the past and what does not. Chair Tharinger answered that the *State of the Salmon in Watersheds* report is closest source to that kind of document. Steve Leider added that there is not an ongoing systematic process to look at questions from the board's perspective. It can be accomplished, but there is not a current document.

David Troutt stated that he understood the desire to understand project monitoring, but has concerns about the focus on abundance. He encouraged the board to look at projects in their entirety, considering the full viable salmon population (VSP) parameters.

Harry Barber noted harvest and escapement and asked what levels of escapement are needed for projects to be effective. Chair Tharinger and Kaleen Cottingham responded that the issue of harvest will be discussed at the July board meeting.

Public Comment:

Allan Chapman, ESA Technical Coordinator for the Lummi Nation Natural Resources, requested funding for bioacoustic monitoring for Chinook salmon on the Nooksack River. Chair Tharinger recommended that Mr. Chapman go through the regular channels for requesting funding from the board. David Troutt added that we need to consider monitoring from groups other than state agencies. Chair Tharinger concluded the discussion on monitoring by noting the need for consistency among funding.

UPPER COLUMBIA SALMON RECOVERY BOARD (UCSRB)

Julie Morgan, UCSRB Director, and Ron Walters, Commissioner for Chelan County presented this agenda item. (See notebook item #8 for details)

Julie Morgan introduced Chelan County Commissioner Ron Walters. Commissioner Walters noted that collaboration, implementation capacity, and management were vital to the UCSRB's success.

Chair Tharinger pointed out that implementation is a huge issue, and appreciates community's understanding of the issue.

Julie Morgan and the UCSRB staff provided a series of presentations on the following topics:

- Improving Returns on Investments: Julie Morgan gave an overview of the UCSRB's key tasks and explained the Habitat Adaptive Management Framework. Julie concluded her presentation by explaining the regional technical team's project review criteria for 2008.
- SRFB Process in the Upper Columbia: UCSRB Associate Director Derek Van Marter explained that there are three lead entities in the Upper Columbia Region (Chelan County, Foster Creek, and Okanogan County/Colville Confederated Tribes). The UCSRB has a regional facilitator who works closely with lead entity (LE) coordinators. There is also a regional advocate for board process.
- Regional Technical Team (RTT) Monitoring: Keeley Murdoch, Data Management Committee Chair, explained the functions of the RTT. The most important are the development and evaluation of protection and restoration projects and providing a local review panel for the board. Keeley briefly discussed the Upper Columbia's data gap prioritization and 2008 work plan.

The UCSRB presentation was continued to Friday to allow time for the tour.

Meeting reconvened Friday, May 2, 2008 at 8:30 a.m.

- The Upper Columbia Approach to Salmon Recovery Monitoring: James White, Upper Columbia Data Steward, explained that good monitoring starts with asking

a question and is finished when the question is answered. The Upper Columbia's process for answering questions can be applied in other basins.

1. Good questions identify information needs.
2. Based on the information needs, the UCSRB develops monitoring objectives.
3. UCSRB determines monitoring methods.
4. Conduct on ground studies.
5. Data flow, including stewardship of the data and maintenance of information of created data.
6. Data disseminated and management actions are taken.
7. Questions are answered.

Bob Nichols asked if the way the UCSRB organized data's is unique to the Upper Columbia. James White responded that Upper Columbia stands alone among the regions because they've been using the question driven monitoring approach for a number of years.

James White completed his presentation with an explanation of the key components of Upper Columbia's approach to monitoring.

Board Discussion:

Carol Smith asked whether or not the data system "talks" to the habitat work schedule. James answered that the Upper Columbia is currently in the process of enabling the two data systems to talk back and forth. Since the types of monitoring and spatial scales used in implementation are different that those in effectiveness and status and trends monitoring, the link will be spatial points instead of project numbers. The other link will be limiting factors at the various scales.

Melissa Gildersleeve asked James if the stem database is a requirement or something that was available. She then asked Tim Smith, if others could use the stem database for Eastern Washington.

Tim responded that he is unfamiliar with habitat work schedule and its relationship with the stem database, and then asked James for clarification. James responded that the stem requirement was an opportunity to use an existing, normalized tool to manage data. The tool can be used to coordinate things across the schedule, and in theory, allows unbiased information. James was not sure of the relationship between the stem database and the habitat and work schedule.

Chair Tharinger asked James about the location of the stem database. James answered that the stem database is housed in Sandpoint, Idaho with NOAA.

David Troutt asked if the UCSRB's work is publicly accessible and transparent. James responded that once the stem database is online (estimated for the end of this field season), it will be completely viewable through the web portal. David pointed out that monitoring was happening before database was in place, and asked if analysis of the historic data influenced current monitoring and data collection. James responded that

there are some data sets that have information that the Upper Columbia can easily analyze, but older, paper based reports are backlogged and less accessible. It is James' hope to sort through the older data and do further analysis.

Chair Tharinger thanked Julie Morgan and the Upper Columbia Salmon Recovery Board. The Chair pointed out the services that the Upper Columbia Region provides services, such as a technical review and data, for lead entities. He asked if there were other services that Upper Columbia Region provides for the different watershed groups.

Julie Morgan responded that watersheds request the UCSRB's assistance to coordinate meetings with regional and local organizations, and provide administrative services. Chair Tharinger added that he would like to see collective efforts between the different regions in sharing the tools that are being developed in the Upper Columbia.

REGIONAL AREA ALLOCATIONS – UPDATE

David Troutt presented this agenda item. (See notebook item #11 for details.)

At the February board Meeting, the board decided to form a taskforce to examine regional funding. David Troutt leads the task force, and wants it to develop an allocation system with more collaborative efforts across the regions to create greater benefits for fish. He noted that there are limited resources and money needs to be invested in the best way.

The task force is starting with base funding for the regions, with the opportunity to promote investments across regions. He reported that preliminary discussions raised the questions for the regions:

- What is preventing your region from getting to key projects?
- Does your region see a value in identifying what is preventing salmon recovery?
- Are we clearly identifying the absolute key projects in salmon recovery?

David noted that he will come up with a list of questions that he will circulate to the different regions to get feedback and understand how to frame this discussion. The first group meeting will likely take place in mid- to late-May. Jim Fox, Special Assistant to the Director of the RCO, will send a series of questions, and begin the discussion of whether or not we can do something creative and innovative to solve this problem

Jim added that the timeline he and David are looking at is to have final recommendations and actions by the December SRFB meeting, with progress reports for the board at the July and October meetings.

Chair Tharinger reminded the group that the taskforce will be open for public participation.

FUNDING REQUEST FOR REMAINDER OF PUGET SOUND ACQUISITION AND RESTORATION (PSAR) ALLOCATION

Joe Ryan, Puget Sound Partnership (PSP), presented this agenda item. (See notebook item #12 for details.)

Joe Ryan began with an overview of the Puget Sound Partnership's mandate and progress on the 2020 action agenda. The Action Agenda is based on four questions:

1. What is the status of Puget Sound?
2. What would a healthy Puget Sound look like?
3. What can we do to get Puget Sound to be healthy?
4. Where should we start? (Implementation question)

The Partnership created a series of topic forum papers to address specific issues, such as fresh water quality, water quantity, land use protection, species and biodiversity, and human quality of life. Joe encouraged the board to look at the final question in each of the papers, under "What do we do?"

Joe then explained that the Partnership was requesting \$430,000 from the Puget Sound Acquisition and Restoration (PSAR) fund. These funds were held back from the Puget Sound Acquisition and Restoration fund. The memo provided to the board included a proposal from the watershed leads to invest the \$430,000. Joe stated the Partnership wanted to revise the proposal to give them more discretion. The new request is as follows:

\$180,000 – Engineering assistance

\$70,000 – Watershed capacity

\$5,000 – Facilitating the nearshore study component with RCO

\$15,000 – Refining the computer program for the habitat work schedule

\$160,000 – Capital funding for projects and operating funding to further recovery

Joe explained that the \$160,000 would be used to get capital funding for projects and operating funding to further recovery. He asked that the board authorize the Partnership, in consultation with the watershed groups and the RCO staff, to implement the Partnership's budgetary authority and to seek capital projects for salmon recovery.

Bud Hover asked for specific information about how the \$160,000 would be spent.

Joe answered that he would like to create a capital projects system within the Partnership and advocate for salmon recovery as a priority among PSP projects.

Chair Tharinger stated that the board is not interested in micromanaging the dollars. He asked if Joe is aware of any cost overruns within the PSAR dollars, since responsibility could fall on the board. He supports the development of a capital strategy for salmon, but asked for clarification as to the future funding. He asked Joe if future funds will be allocated to maintaining a capital structure within the Partnership after the one-time PSAR dollars are spent.

Bud asked Joe about the FTEs, since they are an ongoing expense.

Joe Ryan emphasized that the primary goal of the Partnership is to do the most important projects and to do them in the right sequence. Tim Smith asked if anyone remembered what the concerns were about the May 2007 engineering proposal. Chair Tharinger responded that the board was not comfortable funding staff for Fish and Wildlife. David Troutt added that there were questions about accountability, as to whether the position would be dedicated to assisting lead entities and salmon recovery efforts.

Carol Smith asked about the Partnership's progress in developing its overall indicators and goals for a healthy Puget Sound.

Chair Tharinger noted that Carol's question was a broader Puget Sound issue.

David Troutt stated that he shares Joe's concern of salmon being left behind, and agreed that it is the board's concern is to keep salmon a priority in the Puget Sound.

David Troutt **MOVED** to approve the Puget Sound Partnership's funding request for \$180,000 for engineering assistance, \$70,000 for watershed capacity, \$5,000 to assist in the nearshore study, \$15,000 dedicated to the habitat work schedule, and \$160,000 for capital projects and operating funds to keep salmon recovery within the focus of the Puget Sound Partnership. Bud Hover **SECONDED**.

Chair Tharinger asked if there was any discussion on the motion.

Harry Barber expressed concerns about the "fuzziness" of the capital funding, and would like to see more specific projects.

Chair Tharinger noted that Harry makes a good point, but stated that it is an issue of capacity for salmon recovery among the lead entities. The Chair agreed with Bud Hover that it is not the Board's intent to micromanage funded dollars on how capacity dollars are spent.

David Troutt offered an **AMENDMENT** his original **MOTION** to add that the development of the \$160,000 should be in close consultation with the RCO staff and with consensus approval of the watershed and lead entities. Bud Hover **SECONDED** the amendment.

Resolution #2008-06 APPROVED with the \$430,000 remains from the 2007 Puget Sound Acquisition and Recovery reappropriation being allocated as follows:

- \$180,000 – Engineering assistance
- \$70,000 – Watershed capacity
- \$5,000 – Facilitating the nearshore study component with RCO
- \$15,000 – Refining the computer program for the habitat work schedule
- \$160,000 – Capital funding for projects and operating funding to further recovery

WASHINGTON DEPARTMENT OF FISH AND WILDLIFE PACIFIC COAST SALMON RECOVERY FUND REQUEST

Tim Smith presented this agenda item. (See notebook item #13 for details.)

Tim Smith provided a brief history of the Washington Department of Fish and Wildlife's request for funds from the 2007 Pacific Salmon Recovery Funds. However, in light of the anticipated \$1.5 million cut in 2008 PCSRF funds, Tim proposed that the conversation be redirected to discuss the potential shortfall.

Board Discussion:

Kaleen Cottingham has asked NOAA to put any directives that they have regarding the shortfall in writing. NOAA told Kaleen that the people who rated our application were impressed with habitat projects.

Tim did not have an official notification of their award from NOAA, and stated that he will be interested in how NOAA specifies the funding cuts for the Department of Fish and Wildlife.

Harry Barber asked if the funding request had a "hard" 10 percent monitoring budget; and whether or not those funds must come out of the \$23.5 million. If possible, the board should get credit for ongoing monitoring.

The board then discussed a need for having a thoughtful discussion on how to create a process for developing and approving programmatic grants while upholding the board's focus on projects and habitat restoration grants. The board agreed that a lot of money already is dedicated to monitoring, and the board does not gain anything by removing funding from current monitoring efforts.

Resolution #2008-07 DEFERRED.

2008 GRANT ROUND POLICIES – MANUAL 18

Marc Duboiski presented this agenda item. (See item #14 for details)

Chair Tharinger asked if the board would like to vote on each individual change or vote on the overall presentation with highlighted questions. Kaleen Cottingham pointed out the resolution that was added to the board's packet in the supplemental materials, if the board wished to pass an all encompassing resolution.

David Troutt asked Marc to briefly explain the reviews with the Lead Entity Advisory Group (LEAG) and Council of Regions (COR). Marc responded that Brian Abbott presented the manual to the LEAG and COR and has both groups' support.

Marc started his presentation on page 2 and listed the following proposed changes to the policy manual (listed as presented, with discussions noted where they took place).

1. Combine Manuals 18 and 18b into one Manual 18.

2. Start the project review stage of the application process three months earlier and move the application due date up one week.
3. Allow design-only projects (up to \$200,000) with no match required. Sponsors must complete these projects within 18 months from the board funding date. Any design project over \$200,000 will continue to require 15 percent match. Tim Smith asked where the policy manual draws the line for designed projects, and whether design projects have an obligation for future funding. Tim then noted that he is more confident in the effectiveness of funding design only projects. Marc answered that the manual requires a minimum 30 percent design and does not promise future funding. He added that the review panel wants more consistent cost estimates, and recommends design only projects.
4. For combination projects, require sponsors to complete land acquisitions within 18 months of the board funding date.
5. Reinforce the existing requirement to include landowner acknowledgement forms for all applications.
6. Revise the application evaluation questions for all project types to eliminate redundancy, improve question clarity, improve question consistency among project types, and solicit additional information from the sponsor about the description and justification for the proposed project.
7. Conduct SRFB Review Panel meetings quarterly. Tim Smith asked if it would be possible to use quarterly meetings as a training opportunity for review panel members, making sure they have access to latest data and tools. Marc answered that training could be on the quarterly meeting agenda, but the focus will be on projects.
8. Identify the “best of the best” projects with high benefit and certainty in addition to identifying projects of concern. Carol Smith asked if the review panel decided which projects are the “best of the best,” by using the benefit and certainty criteria. Marc responded that the review panel is not using the certainty scale, and that the parameters for judging projects are up to the review panel.
9. Allow project alternates on lead entity lists to be funded up to 180 days after the board funding date, if funds become available. Carol Smith asked if this applied to acquisition projects as well, so if an acquisition project falls through, then the project sponsor will have to choose an acquisition that has gone through the full review process. Marc answered yes.
10. In the final funding report, include a region-by-region synopsis by using the information submitted by the region and the information provided at the regional presentations in October. Tim Smith commented that the change, in combination with the landowner form, does a good job in maintaining statutory consistency. David Troutt

asked if the board has been explicit with project sponsors about the evaluation criteria. Marc responded that this change in the manual presents data collection, not necessarily evaluation criteria.

11. Habitat Work Schedule. Chair Tharinger asked how the Habitat Work Schedule interfaces with PRISM. Marc, and audience member, Jason Lundgren, Outdoor Grant Manager for the RCO, answered that PRISM does not currently import data.

12. Project Eligible Items. Staff recommended one addition to the project eligible items: “21. Primary objective of the project is bank protection unless it addresses sediment control that is clearly identified as a top priority in the lead entity strategy or recovery plan. “

Board discussion:

David Troutt asked Marc to clarify item #9 with regard to alternate projects. He wanted to know how it would work for a failed acquisition project and wanted clarification on the timeline. Marc answered that it is very rare for a project to know if acquisition will not go through within the first 180 days. Marc also explained the process for cost increase amendments, which allows the RCO director and the board subcommittee to use the review panel for a more thorough review.

Public Comment:

Jeff Breckel, Director of the Lower Columbia Fish Recovery Board, discussed project eligibility as it related to bank protection. He is concerned about the way that the review panel and board will interpret the language regarding the “primary purpose” of a project. He has discomfort in where the line will be drawn with bank protection and riparian habitat.

Board discussion:

Chair Tharinger asked Marc Duboiski what was driving the policy change regarding the eligibility of bank protection. Marc explained that the review panel has difficulty completing the project assessment, and that they would like more clarification on the driving source of the project.

David Troutt asked Jeff Breckel if he has any recommendations for how the review panel could make the distinction. Jeff answered that he did not have any recommendations, but finds it be problematic to specify guidelines for bank stabilization. The board discussed the benefits and drawbacks of language supporting bank stabilization projects, as well as the implications of funding bank stabilization projects with little or no recovery benefit. Marc Duboiski offered a solution to eliminate the phrase “sediment control” and replace it with broader language on page 13, in the Ineligible Project Elements section.

Harry Barber **MOVED** to amend the manual by placing a period after secondary in #20 and eliminate #21 on page thirteen, in the Ineligible Project Elements section. Bud Hover **SECONDED**.

Bud Hover **MOVED** to approve Resolution #2008-08. Harry Barber **SECONDED**.

Resolution #2008-08 APPROVED

CONTINUING DISCUSSION OF HABITAT, HARVEST, HATCHERY, AND HYDROPOWER INTEGRATION: HYDROPOWER REFORM

Dick Wallace, Northwest Power and Conservation Planning Council, and Tom Dresser, Grant PUD, presented this agenda item (See notebook item #15 for details)

Dick Wallace presented the history, formation, and purpose of the NWPPC. Dick explained the uses of the Columbia River system and the Council's duties in power planning, fish and wildlife protection, and public involvement.

Tom Dresser, Fish, Wildlife, and Water Quality Manager of the Grant County Public Utilities District provided a presentation on the Wanapum Dam and the Priest Rapids Dam. Tom informed the board that the Grant County PUD has secured a new Federal Energy Regulations Commission (FERC) license. He also explained the fish ladders at both dams and highlighted efforts to improve fish passage.

Board discussion:

The board discussed details about the survival rates for different age groups of fish. Tom explained that Grant County tested yearling Chinooks. Chair Tharinger asked how long the new turbines have been in place, and if other dams are moving forward with the new turbines. Tom responded that the turbines have been in place since 2004 at Wanapum, and 2014 is the tentative date for replacing older turbines, at a cost of 10 units for \$150 million.

Tom Dresser then provided Witt Andersen's presentation about the Columbia River Salmon and the Columbia River Fish Mitigation Project

Board discussion:

Chair Tharinger asked if there are projects that the board and Grant County can be aware of to assist one another. Tom Dresser responded that they could co-fund projects, and use funding sources from Grant, Douglas, and Chelan County PUDs. Dick Wallace echoed the Chair's encouragement for the regional recovery boards to tap into the different funding sources for fish.

Public Comment:

Alex Conley, wanted to clarify that there is not a great deal of money being put toward the same type of projects as the ones being funded by the board. Alex broke down the \$180 million in Public Utility District funds mentioned in Tom Dresser's presentation to illustrate that board dollars are essential for funding habitat projects in the Columbia Basin.

The Chair agreed that Alex's comments reinforced Dick Wallace's point that it would be beneficial to see how PUD dollars are allocated and how they support the board's mission.

Public Comment:

Shawn Seaman, of the Chelan County Public Utilities District, responded to the Chair's question about adding turbines to other dams, by explaining that dams must meet a 93 percent survival standard, and that they would not replace turbines that met that standard if there were other alternatives. Shawn also answered the question about using tags to measure survival but noting that pit tags and acoustic tags yield fairly similar results.

STRATEGIC PLANNING

Jim Fox presented this agenda item. (See notebook item #16 for details.)

Jim provided background information about the board's *Mission, Roles and Responsibilities, and Funding Strategy* document. He explained that in response to board direction, staff has started to revise the document and list additional issues or questions for board consideration. Jim asked the board for direction on where they would like to go with the document.

Board Discussion:

Bud Hover commented that he would like to ensure that all of the monitoring data is coordinated through the regional boards or through the board so efforts are not being duplicated.

Jim agreed, and noted that the Monitoring Forum has a representative from each region so it offers an opportunity to coordinate monitoring efforts.

Harry Barber asked how projects are measured. In response, David Troutt suggested that the board consider more of a strategic planning approach to this document with goals, objectives, and measures.

Kaleen Cottingham explained that the RCO must produce a strategic plan as part of its budget process. Kaleen envisions the RCO strategic plan would be an "umbrella" strategic plan and then have each of the five boards have its own individual strategic plan.

Chair Tharinger noted that he sees a value in making the *Mission, Roles and Responsibility, and Funding Strategy* document more strategic, in coordination and assessment. The Chair would like the document give guidance for a broader effort.

Jim Fox added that the process of editing the document would allow the board to resolve policies. David Troutt asked Jim to add a timeline to the document for the board. Chair Tharinger concluded the board's discussion by directing Jim that the

board is interested in revising the *Mission, Roles and Responsibility, and Funding Strategy* document.

Public Comment:

Julie Morgan pointed out the section on page two titled “Science-based Decisions” and recommended implementing a mechanism to identify the most relevant effectiveness monitoring to the project. Julie also asked if there was a way to look at effectiveness monitoring strategically and determine the most pertinent information to share.

The board brainstormed ideas on how to develop a mechanism for identifying the most relevant methods of effectiveness monitoring, where to store the information, and how to disseminate it to interested parties.

Jeff Breckel, Director of the Lower Columbia Fish Recovery Board, suggested that the board expand the partnership with Tetra Tech program, and allow the board, regions, and lead entities to share information that will help everyone make better decisions.

Jim Fox appreciated Julie and Jeff’s comments and said he would pass them along to the Forum on Monitoring and the Salmon Watershed Information Management Technical Advisory Committee (SWIMTAC), which directly handles such issues.

Board discussion:

The board agreed that sharing data is an important issue, particularly with monitoring. Chair Tharinger noted that regions could use the Upper Columbia’s data system as a model for providing an access point for monitoring efforts, therefore reducing duplication and responsibly spending funds.

Public Comment:

Alex Conley proposed building a data management system so we have strong data and analysis.

Board Discussion:

Chair Tharinger asked about the next step for the board to formalize sharing the data.

Melissa Gildersleeve asked who leads the overall state strategy in salmon recovery, the Salmon Recovery Funding Board or the Governor’s Salmon Recovery Office. Kaleen Cottingham responded that the Governor’s Office is looking at the roles and responsibilities regarding salmon, but no specific changes are known at this time.

David Troutt stated that Board’s next step is to identify within the strategic plan how to share data and results, then an RCO staff member can create an objective or plan for implementation.

The board discussed the challenges with sharing monitoring data among the regions. David Troutt asked Jim Fox to shape objectives for the board, encompassing broader needs. Julie Morgan highlighted the foundation of the success of board is habitat

projects, and asserted that success will diminish if the board tries to tackle issues beyond the hallmark of habitat projects. Chair Tharinger responded that the board has tried to have other H's provide presentations to raise awareness. Carol Smith added that the board must not forget the original roots of the legislation, as a bottom up approach from the local perspective. Tim Smith noted that one of his hopes for the strategic plan is for the board to serve as an advocate for other organizations to do salmon recovery work. Chair Tharinger agreed with Tim and noted that the board is a good forum for discussing or "4-H" related issues.

Board component part of the Recreation and Conservation Office required strategic Plan or the 2009-2011 budget

Kaleen Cottingham

This item was presented and discussed as noted above in the context of the board plan.

2008 POLICY WORK AND 2009 POSSIBLE LEGISLATION

Jim Fox presented this agenda item. (See notebook item #17 for details.)

Jim explained that the deadline for submitting agency request legislation to the Governor will be in mid September. If the Salmon Recovery Funding Board (Board) wants to submit legislation for the 2009 session, the decision needs to be made at the July 10-11 meeting. Given the deadlines for submitting agency budgets to the Office of Financial Management for the 2009-2011 biennial budget, the July 10-11 meeting will also be a good time to review the RCO's proposed budget submittal as it relates to salmon recovery.

Jim Fox summarized important issues and projects listed in Attachment A: 2008 board Related Policy/Planning Projects. Jim highlighted the following issues:

- Regional allocation of board funds
- Cultural resources
- Engineered logjam liability issues
- Regional monitoring
- Mitigation banking policies
- SRFB Roles and Mission
- Water

Board discussion:

The board discussed the complexity of the engineered logjam issue, and noted that some fish enhancement groups are so concerned that board members are considering stepping down if it is not resolved. Jim Fox added that the board needs to determine whether it has a responsibility to help other entities answer their risk management issues as a good partner, or salmon steward. Chair Tharinger noted that the only definite answer to the issue would come through the court system, if there were a case. Tim Smith mentioned legislation from six or seven years ago, where the legislature's legal counsel stepped in and said it was unnecessary. Jim Fox noted that some states

handle it in different ways. RCO is contacting other state agencies to see about coordinating policy analysis.

Tim Smith asked about the conversion policy issue listed on page one. Jim answered that conversions occur when a project is changed to a use that was not part of the original grant. The “policy issue” is actually a combination of policy and legal issues.

Public Comment:

Jeff Breckel, Director of the Lower Columbia Fish Recovery Board, representing the Council of Regions (COR), stated that he is interested in discussing future funding sources for COR as a policy issue with board or RCO staff.

Kaleen Cottingham expressed a concern about COR going independently to the legislature without RCO. She noted that the revenue forecast for the next biennium does not look good, so it is important to be strategic.

Jim Fox explained the budget development for 2009-11 session. Agency budgets are due September 1, and the RCO is just beginning to go through budget exercises. He noted that the July board meeting is the Board's final opportunity to decide on a formal budget request for grant funds in the capital budget. It also needs to be determined if the Puget Sound Partnership requests will be through the board or the RCO.

Chair Tharinger asked if there would be any advantage to breaking up the lump sum for different things. Jim noted that there are advantages and disadvantages. It is good because the regions are clearly established, but it is a tough budget year to ask for funds.

Harry Barber suggested that the board ask for a realistic budget, considering that the board's need is greater than their current funds, and recommend that they not ask for less.

Kaleen Cottingham noted that once the governor's budget is established in mid-December, neither the SRFB or the RCO can advocate for an amount that is different than the Governor's proposal.

Tim Smith, on behalf of WDFW, asked that the board consider the Lead Entity enhancement as a budget request from RCO, which would then increase the contract with WDFW for Lead Entities.

Chair Tharinger agreed with Harry that it is important for the board to not ask for less, but noted that they should prioritize the budget.

Kaleen reminded the board that all monitoring budget requests, including existing and increases, need to be reviewed by the Monitoring Forum, which identifies budgetary needs to OFM for monitoring.

Harry Barber responded that he does not want to see increased monitoring money and less spent on projects.

Kaleen said that SRFB-related monitoring comes out of federal funds, which are much more supportive of monitoring. Also the current PCSRF guidance requires 10% of the funds be used for monitoring.

Melissa Gildersleeve asked if the RCO requested funds for Family Forest Fish Passage Program (FFFPP). Jim Fox answered that RCO did not request the funds for FFFPP. The program is collaboratively managed through the Department of Fish and Wildlife, the Department of Natural Resources, and the RCO. The three agencies decided that it made sense to administer the funds through the RCO's budget.

The Board discussed the management and effectiveness of the dollars dedicated to the Family Forest Fish Passage Program. Jim Fox noted that FFFPP dollars have been more cost effective than other board funded projects.

Tim offered a possible future agenda item to have agencies present related activities that are being proposed to the legislature, and have the board get active in endorsing their requests.

Chair Tharinger agreed that it is a good recommendation, and can possibly be part of the July agenda.

BOARD WORK PLAN AND ITEMS FOR JULY MEETING

Rebecca Connolly presented this agenda item. (See notebook item #18 for details.)

Kaleen Cottingham added four items to the agenda for July: Related budgets, the Strategic Plan, expanded Programmatic Funding, and follow up from Policy Summit. She added that the July meeting will have a 9:00 or 10:00 a.m. start time, and asked if the board would like to do a tour as part of the July meeting. Chair Tharinger responded that the tours are beneficial and informative, and should be included in the next meeting.

ADJOURN

Meeting adjourned at 2:02 p.m.

Steve Tharinger, Chair

Next meeting: July 10 – 11, 2008
 Westport, WA

