

## SALMON RECOVERY FUNDING BOARD

### MINUTES - REGULAR MEETING

July 10 & 11, 2008

Chateau Westport  
Westport, Washington

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#### 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
Craig Partridge	Department of Natural Resources
Melissa Gildersleeve	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Jon Peterson	Designee, Department of Transportation

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#### MEETING CALLED TO ORDER

Chair Steve Tharinger opened the meeting at 9:39 a.m.

Kaleen Cottingham introduced new Recreation and Conservation Office (RCO) staff members, Heath Packard and Megan Duffy, Policy and Planning Specialists; Ken Dzinbal, Coordinator for the Forum on Monitoring; and Colin Turner, the RCO intern. Ken also will be working with the Salmon Recovery Funding Board (Board) to manage contracts for monitoring.

Chair Tharinger asked the Board, RCO staff, and audience members for introductions. After a round of introductions, the Chair welcomed everyone to the Salmon Recovery Funding Board meeting.

Chair Tharinger determined that the Board met quorum.

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

#### REVIEW AND APPROVAL OF MAY 2008 MEETING MINUTES

Bob Nichols **MOVED** to approve the May 2008 meeting minutes as presented. Bud Hover **SECONDED**. Board **APPROVED** May 1 - 2, 2008 minutes as presented.

#### 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.

- The Berk Report Follow-up
  - Agency staff teams are working to implement Berk recommendations. A Policy Team was created to evaluate twelve policy related recommendations, beginning with the ones that require board action.
  - The RCO accepted a new organizational structure with three grant sections instead of two. The agency added the Conservation and Grant Services Section, in addition to the Salmon Recovery Section and Recreation Section. The goal of the new section is to minimize the number of grants per outdoor grant manager. The RCO hired a new Grant Manager in the Salmon Section, and is in the final stages of filling two Grant Manager positions and an Administrative Assistant position for the Recreation Section.
  - The RCO is in the process of improving the PRISM database to enable grant recipients to more actively manage their grants.
  - Jim Fox, Special Assistant to the Director, and the Policy Team are taking the lead in identifying consequences and due process for terminating projects. Staff will provide possible options for these policy questions at future Board meetings.
  - Kaleen concluded by pointing out the allocation of the \$23,500,000 Pacific Coast Salmon Recovery Fund (PCSRF) grant:
    - \$17,082,500 for habitat protection and restoration (and monitoring);
    - \$5,512,500 for salmon enhancement;
    - \$200,000 for hatchery research monitoring and evaluation; and
    - \$705,000 for Recreation and Conservation Office administration.

Chair Tharinger asked Kaleen which grant management needs the RCO has started to address in response to the Berk Report. Kaleen responded that the RCO has started sending notices from PRISM to give sponsors 90 days notice of contract deadlines. RCO Deputy Director Rachael Langen added that the RCO is currently working with staff to determine the most important critical milestones. Once they are identified, staff will use PRISM to remind sponsors about critical milestones.

Chair Tharinger asked about sponsor's responses to the reminder email notices from PRISM. Kaleen replied that overall the notifications have generated positive feedback.

Harry Barber asked if the content of the 90-day notices was a one-sided message from the RCO, or if there was dialogue between the grant managers and the sponsors. Harry felt it would be useful to increase dialogue. Rachael responded that with the decreased number of grants per manager, managers will have more time to maintain dialogue with project sponsors.

Tim Smith, of the Department of Fish and Wildlife, asked Kaleen how the RCO is handling the Department of Archeological and Historical Preservation Cultural Resources process, and asked for guidance for his agency. Kaleen responded that the RCO hired contractor Mary Thompson, an expert on Cultural Resources, to provide

recommendations for how to manage the task of avoiding unintentional discovery of a culturally significant site while developing or constructing a project. Based on Mary's recommendations, the RCO dedicated a current staff member to manage Cultural Resources as part of his overall duties. Kaleen offered Tim a copy of Mary's report. She also noted that the RCO is undertaking the cultural resources process for grants with a federal funding source that are not being processed by the National Oceanic and Atmospheric Administration (NOAA). Rachael noted that the RCO is still determining what the agency's role is regarding cultural resources.

Craig Partridge explained that it would be helpful to have an interagency discussion of cultural resources, and find a way to offer a coherent plan to the public, as well as find a way to utilize, but not overwhelm the Department of Archeology and Historic Preservation. Kaleen noted that certain agencies carry a larger role in cultural resources, and agreed that it would be a helpful discussion.

### **Project Management Update**

Brian Abbott, Salmon Section Manager, presented the Project Management Update as part of the Management Status Report. (See notebook item #3 for detailed report).

- 2007 Grant Round
  - Currently, 95 percent of the Board funded projects are under agreement. In general, outstanding agreements are waiting for local processes for signature.
- 2008 Grant Round
  - Eighteen Lead Entities have completed their site visits with the Board Review Panel. The new process of early interaction with the Board's Review Panel before the local technical review meetings, has produced positive responses, and seems to be effective. The next Review Panel meeting is scheduled for August 12, 2008.
- Staffing
  - David Caudill was hired as the new Family Forest Fish Passage Program (FFFPP) Grant manager position. David comes to the RCO from WDFW, and will begin work on August 1, 2008

### **Board Discussion:**

Chair Tharinger asked Brian about the increased number of projects under contract in 2008 compared to 2007. Brian responded that the Salmon Section has made a point to increase the number of projects under contact, and Kaleen added that the increase in contract percentage is one of the RCO's performance measurements. The performance measure is 100 percent, so the Salmon Section is still working to meet the goal.

Tim Smith asked about the programmatic funding presentation, and explained that he is interested in the total number of active contracts, including which are funded in this biennium compared to how much is carried forward from the previous biennium. Kaleen

offered to call Mark Jarasitis, the RCO's Chief Financial Officer, and provide this detail during Friday's presentation of programmatic funding.

Chair Tharinger asked about the funds available for FFFPP, and whether there are \$2 million dollars in the budget. Brian replied that the money has been dedicated to projects under contract. Kaleen offered to follow up with Mark Jarasitis to change the format of the report so that the information is clearer.

### **FUNDING DECISION: Fisher Slough Construction**

Brian Abbott, RCO Salmon Section Manager presented this agenda item. (See notebook item #4 for details.)

The Nature Conservancy (TNC), through the Skagit Watershed Council (SWC) lead entity, has completed the Fisher Slough Floodgate Design Report (07-1883N) and is asking the Board to fund the Fisher Slough Floodgate Replacement construction reserve grant (07-1914R). The Board approved the funds in reserve in 2007. The Board has adopted a policy for "phased design/construction projects" (Manual #18, 2007, Appendix A) to accelerate implementation of projects funded under PSAR.

Bud Hover **MOVED** to approve Resolution #2008-010, the Fisher Slough Reserve Grant, RCO #07-1914 and 07-1833. David Troutt **SECONDED**.

#### Board Discussion:

Chair Tharinger asked Brian to clarify if the projects were exclusive to the PSAR money. Brian responded that receiving PSAR dollars does not secure construction funding, and that is why the projects must go through an approval process with a number of stages including the application, the project's local technical panel, SRFB Review Panel, and then the Board's approval.

Bud Hover asked Brian if the money is guaranteed for construction. Brian responded that encouraging project sponsors to complete the design up front enables the sponsors to find additional funding sources. Tim Smith noted that when the design step of a project is funded separately, it is easier to secure a more accurate cost estimate. The efficiency in reserving funds is that total project costs usually come in under budget. Chair Tharinger referred back to Bud's comment, and asked if there has been much pushback due to the lack of assured money for the project's construction. Tim explained that there has been some pushback, but noted that the Department of Fish and Wildlife is still in transition in terms of policy.

Harry worried that there is a slippery slope. He asked Brian how much of the design is required to request funding. Brian responded that 30 percent of the design is needed to get cost estimates and be approved for funding. Brian added that the Review Panel critiques the site for design or construction as if the project will be completed.

David Troutt added that the projects are coming out of watershed's work plans or strategies, and are priorities within the regions. Bud agreed with David, and explained

that many of the projects in the Upper Columbia are large and will be more expensive than in the past He reminded the Board that they might run into tough funding decisions. Chair Tharinger noted that that the Board needs to be prepared for the larger projects. Harry stated that it makes sense to spend 20 to 30 percent on designs, but the Board does not need to spend large amounts of money on designs. Chair Tharinger asked Brian if there is a criterion for feasibility and designs. Brian directed Chair Tharinger to Manual 18 for a definition of design projects.

Board **APPROVED** Resolution #2008-010, the Fisher Slough Reserve Grant, RCO #07-1914 and 07-1833.

Resolution #2008-010 **APPROVED**

### **GOVERNOR'S SALMON RECOVERY OFFICE (GSRO) REPORT**

Chris Drivdahl, GSRO, presented this agenda item. (See notebook item # 5 for details.)

Chris Drivdahl provided a review of items from her written report.

- Large Woody Materials Workshop
  - GSRO received a number of suggestions and ideas to address the supply, transportation, and storage of large wood. The GSRO, including workshop coordinator Lloyd Moody, will return in October with specific recommendations for the Board's approach to Large Woody Materials.
- Pacific Northwest Region High Level Indicators
  - Chris is working with the Oregon's Governor's Office to standardize the reports that are given to Congress, establishing agreement on the high-level indicators and data to ensure that all four northwest states are using agreed upon indicators when they give reports to Congress and the Pacific Coast Salmon Recovery Fund (PCSRF).

Chris announced that GSRO has secured the consultation requirements for Permit Streamlining for the nine major categories of the United States Fish and Wildlife Service (USFWS) and NOAA Fisheries, for all fish in Washington State. NOAA has signed it. The Army Corps of Engineers will put the announcement and the Corps permit on their website. The Corps has agreed to put a specialist to serve as a consultant on project, and turn around permits in one week.

Chair Tharinger asked how the Board can get the information about the improved permitting process out to regional sponsors. Chris answered that it is going on the websites of GSRO, RCO, and the Corps. Kaleen added that the Governor is making an announcement and asked if RCO could use PRISM to make the announcement. Brian Abbott responded that RCO could use PRISM to distribute the information. Chair Tharinger reminded the Board that the Corps consultation has historically been a lengthy process.

Bob Nichols asked Chris how many high level indicators there are, if they cover biological status, and if the projects are providing biological benefits. Chris answered

that a group of executives across the northwest are trying to establish twelve indicators that will be focused on ecosystem health. Bob asked about coordination with the Power Council, Pacific Coast Salmon Recovery Fund (PCSRF), Washington Forum on Monitoring, and other organizations. Chris noted that she is working with other agencies and that she is trying to get the Monitoring Forum on the same page.

David Troutt commended Chris on her work securing permits with the Corps.

## **REVIEW OF POLICY SUMMIT**

Chris Drivdahl, GSRO, presented this agenda item. (See notebook item # 6 for details.)

The Council of Regions (COR) met and reviewed the papers from the Policy Summit, and would like to postpone a conversation until the next SRFB meeting, so they have time to address and thoroughly discuss the papers at their meeting later in the summer. Chair Tharinger noted that he attended the Policy Summit and felt that a wide array of topics was discussed at the Summit. He noted it was a good idea to focus on one or two issues.

### **Board Discussion:**

Melissa Gildersleeve asked about an implementation plan for coordinating agency funding requests. David Troutt asked about the three-year work plans. Chris answered that she is coordinating with Joe Ryan of the Puget Sound Partnership, and waiting for Partnership's Action Agenda to put together the work plans. David asked about agency coordination, considering the Partnership. Chris answered that she is working with agencies to find ways to make salmon a priority in the upcoming budget year.

Craig Partridge noted that the Department of Natural Resources (DNR) is appreciative of Chris Drivdahl and Phil Miller's efforts to coordinate with regions and DNR's federal perspective. Chair Tharinger added that GSRO's regional and federal coordination is truly helping the Board's cause in Olympia.

Tim Smith compared the Board's funding process to that of the Washington Wildlife and Recreation Program (WWRP), which he thinks is good. Bud Hover added that the standardization and the creation of order and process will improve the salmon recovery effort at the state funding level. Chair Tharinger inquired about Tim's comparison to WWRP. Kaleen explained that the WWRP process is supported in statute. The legislature approves the list and establishes the funding level but cannot reorder the ranked list of projects that the RCFB submits. Jim Fox explained that when the Salmon Recovery Funding Board was formed, there was discussion whether it was better to receive funding before the grant cycle or go to the legislature with a list of projects. The Board decided to go through the process with money in hand.

Craig Partridge pointed out that it may be time to modify or update the current model. David Troutt pointed out the differences between WWRP and noted that the Board may lose watersheds/community support. He recommended a citizen-based process for current funding, but make a list of larger scale projects. Harry Barber views the current

process as removed from politics, and would rather not see the current process turned over to the legislature. Chair Tharinger agreed with Harry's point. Kaleen Cottingham noted that she feels it is the wrong time to implement any kind of change of the Boards' funding process, given the shortness of time before the legislature convenes in January.

### **COUNCIL OF REGIONS (COR) REPORT**

Steve Martin, COR chair, presented this agenda item. (See notebook item #7 for details)

Steve reviewed key items in his report and added a brief discussion on accountability and transparency among regional organizations. The COR prepared a report to the Board, *Meeting IAC/SRFB Expectations for Enhanced Accountability in Regional Organizations Contracts 2007-09*. Steve explained what the paper offered the Board, and reminded everyone of the importance of accountability when allocating public funds. Steve thanked GSRO's Phil Miller for refining local priority lists developed by regional organizations.

Chair Tharinger asked Steve about the regions' role in monitoring. Steve responded that COR will provide a response to the state agencies' budget requests for monitoring. Regional partners will guide the Forum by identifying viable salmonid populations (VSP) developed by the regional recovery plans. Chair Tharinger asked Steve if he is seeking dollars at the state level. Steve responded that he is guiding monitoring efforts by others and ensuring that they are consistent with the recovery plans.

Bob Nichols noted that it is not enough to list the projects that have been done. Organizations and the Board need to translate the data into trend lines showing the impact on fish and show the value of the work. Chris responded to Bob's question about showing results, through increased numbers of fish. The only areas where differences are displayed are through Intensively Monitored Watersheds (IMWs). This year's State of the Salmon report will begin to address implementation action. Bob pointed out the importance of demonstrating the return of salmon to the legislature, the Office of Financial Management, and influential organizations funding salmon recovery, especially in a tough budget year.

David Troutt noted that it is difficult to identify results through monitoring because it takes time to show significant investment returns. David stated that monitoring needs to take place at the local level. Harry Barber added that harvest is a key issue in investment returns for salmon, and expressed concern about the length of time reflected in the data included in the PCSRF report. Chair Tharinger agreed that it takes time to show the investment returns, but noted that we still need to report in the interim. Bob explained that there are three ways to translate the salmon recovery data for state agencies and organizations that are not directly working in salmon recovery: 1) status and trends, starting with a baseline and then adding a trend line; 2) start with a project, and then find a methodology to convert it into biological benefits; 3) tally fish recovery plans, and find an overall percentage to indicate progress compared to the recovery goals. Steve Martin noted that the Habitat Work Schedule meets some of the

monitoring goals, and can serve as a tool to show progress. David agreed that Bob's third point is right on the mark comparing data to goals. David concluded the conversation by pointing out that Washington is not investing nearly enough in natural capital.

### **LEAD ENTITY ADVISORY GROUP (LEAG) REPORT**

Jeanette Dorner, LEAG representative, presented this agenda item. (See notebook item #8 for details)

Jeanette announced LEAG's newly elected Chair, Richard Brocksmitth. LEAG created a new position of Past LEAG Chair, to assist with institutional knowledge. Jeanette will hold that position. Jeanette reported to the Board that lead entities are currently working with project sponsors for review and getting project entered into the Habitat Work Schedule. There is a new lead entity administrative organization in Northeast Washington because the Kalispel Tribe replaced the Pend Oreille Conservation District. Jeanette pointed out the proposal from the Department of Fish and Wildlife for the Board's review for increasing funding to lead entity support. LEAG has been examining ways to streamline permitting at the state and county level. They are starting an effort to look at the state's permitting process where agencies are simultaneously conducting reviews. LEAG is working on a paper to address monitoring efforts and priorities at the local level. LEAG is continuing outreach and education on lead entities and salmon recovery to the general public.

#### **Board Discussion:**

Bob Nichols and Tim Smith thanked Jeanette for her presentations and contributions to the Board meetings. Tim also thanked the Nisqually Lead Entity for making Jeanette's position available. Chair Tharinger asked Jeanette about the hope for permit streamlining. He inquired about a checklist or the goal for the permitting process. Jeanette responded that LEAG is still developing the streamlined process, and they are hopeful that the final process will meet local requirements and not hinder the timeline for permitting.

#### **PROJECT TOUR:**

Brian Abbott, RCO Salmon Section Manager, provided details for the Project Tour.

RCO staff chose the two sites, Willapa Estuary Restoration #00-1152 and Skidmore Slough #04-1636, as examples of challenging and complicated projects. The Willapa Estuary Restoration and Skidmore Slough are both combination projects, including an acquisition and restoration.

## **CONTINUING DISCUSSION OF HABITAT, HARVEST, HATCHERY, AND HYDROPOWER INTEGRATION: HARVEST REFORMS**

Phil Anderson, Department of Fish and Wildlife, Craig Bowhay, Northwest Indian Fisheries Commission, and Peter Dygert, National Oceanic and Atmospheric Administration, presented this agenda item (See notebook item #9 for details)

### **Craig Bowhay provided the first presentation: Harvest Management Strategies, Western Washington Chinook and Coho Salmon.**

Craig gave a brief background on recovery efforts in Western Washington, and the more recent efforts to integrate the Four Hs (harvest, hydropower, hatcheries, and habitat) of salmon recovery. The harvest management component is intended to ensure that fishery-related mortality will not impede rebuilding of natural Puget Sound Chinook salmon populations to levels that will sustain fisheries, enable ecological functions, and are consistent with treaty-reserved fishing rights. Craig explained that the Northwest Indian Fisheries Commission (NWIFC) has taken an adaptive management approach to harvest, with strategies and practices continually up for revision.

Craig explained the influence of the 1999 Pacific Salmon Treaty (PST) Chinook Agreement and the 2002 PST Southern Coho Agreement. They changed the ceilings or fixed quotas to abundance-based management for salmon harvest. Craig also commented on domestic Chinook management practices and the modifications of the 2008 PST Southern Coho Agreement and 2008 PST Chinook Agreements, namely incorporating newer data and improving approaches to be more sensitive and responsive to changes in regional stock abundance and trends.

#### **Board Discussion:**

Bob Nichols asked about Craig's management objective and statement on "not impeding rebuilding." Craig noted that the comment was focused on the Puget Sound management objective to recover salmon populations by increasing watershed capacity rather than decreasing harvest. Bob asked Craig how rebuilding can take place without decreasing harvest. Craig responded that increasing the productivity through improved quality and quantity of rearing and spawning habitat will make a larger impact than decreasing harvest. Phil Anderson agreed with Craig and reiterated that you cannot increase the escapement trend line until you increase productivity.

Bud Hover asked Craig if the trend line could be increased by cutting back on harvest. Craig responded no.

Chair Tharinger asked Craig how habitat improvement is measured. Craig responded that both smolts out and spawners in are monitored. The monitoring efforts are in accordance with harvest's adaptive management approach. David Troutt explained that in the Nisqually, as additional habitat becomes available, escapement increases to match the habitat value.

### **Phil Anderson presented: Harvest Management in the 21<sup>st</sup> Century.**

Phil stated that co-management is a hallmark to Washington State and explained elements of successful fishery management:

- Forecasting early in the year
- Agreed-upon conservation efforts
- Utilization of hatchery production
- Adaptive management

Phil described the intergovernmental management forums, including the North of Falcon (NOF) process. State and tribal leaders created a co-management relationship for the conservation and harvest of salmon under the NOF process in 1984. Phil explained that the Department of Fish and Wildlife is establishing a long-range plan for recovering salmon population through hatchery reform, improved marking, watershed management plans, enhanced post-season assessments, and institutionalizing adaptive management.

#### **Board Discussion:**

Harry Barber asked about selective fishing for listed Chinook stocks in the Lower Columbia River. Phil responded that the Department of Fish and Wildlife is relying on marked selected fisheries as an important tool for reducing exploitation rates on listed stocks in the Lower Columbia. Harry asked if there is an answer to gill netting for release. Phil responded that commercial gill netters need to recognize that their future depends on the ability to selectively harvest hatchery fish. Phil went on to explain that recovery success in the Lower Columbia relies on selective fishing.

Chair Tharinger asked Phil what the post run reconstruction by the Department of Fish and Wildlife means. Phil responded that the Department of Fish and Wildlife makes pre-season estimates of the run size, harvest, escapement, and number of fish that will return by using variety of models that estimate and measure populations. Post-run reconstruction allows the model to be adapted to better predict runs and through the use of the adaptive management approach, more accurately make harvest decisions.

Bud Hover asked how fish are counted by Department of Fish and Wildlife on coastal rivers. Phil Anderson answered that fish are counted through spawner surveys. Bob Nichols asked about the need for both coded-wire tags and mass marking fish. Phil answered that coded-wire tags assist in counting stock composition, while mass marking allows the determination between hatchery origin fish and wild fish.

### **Peter Dygert presented: Harvest Developments on the Columbia River, Integrating the “Hs”**

Peter explained that integrating the Hs (harvest, hydropower, hatcheries, and habitat) is a difficult process, but the National Oceanic and Atmospheric Administration (NOAA) is making progress in considering all the Hs in the Lower Columbia. Peter highlighted the keys to advancing “H” integration in the Lower Columbia River:

- Recovery plans
- Biologically based harvest limits

- Hatchery review and reform
- Habitat priorities

The primary policy objective for the Lower Columbia is to maintain fishing opportunities in a way that does not adversely affect recovery efforts. Hatchery reform is a key issue in the Lower Columbia, as hatchery fish are vital to fishing, but harmful to wild stocks.

As NOAA looks to the future of Lower Columbia Chinook, the following approaches are being considered for a successful recovery effort:

- Complete recovery planning
- Refine harvest estimates
- Complete Hatchery Scientific Review Group and implement actions
- Prioritize and implement habitat actions

Chair Tharinger asked if Peter agreed that hatchery reform provides recovery driven organizations with the best investment in terms of salmon. Peter agreed.

Bob Nichols pointed out the impact of harvest on fish abundance, and asked Peter to elaborate on the recovery policy statement. Peter explained that with no harvest, there would be less risk and greater certainty in achieving a higher abundance in rivers.

Harry asked about mixed stock recovery in the Lower Columbia area, which does not seem to be consistent with the escapement and harvest numbers. Harry Barber asked about the consistency of Craig and Peter's messages regarding the presented escapement data in the Lower Columbia. Peter responded that the Lower Columbia stock is healthy stock, and can sustain the recent under-escapement.

Chair Tharinger added that political influence plays a large role in harvest. He pointed out that transparency among harvest efforts will assist the legislature, the public, and other decision makers, and will help the entire salmon recovery effort. The Board is interested in understanding how harvest works with other salmon recovery efforts. Phil Anderson responded that the harvest process is more transparent than the Salmon Recovery Funding Board's (SRFB) grant process. Chair Tharinger responded that the harvest process was established by a top down approach, unlike the bottoms up system of the SRFB. David Troutt added that harvest is the most responsive of the Hs to annual variations, and noted that perhaps harvest is setting an example for adaptive management.

Craig asked the Board to consider the other Hs in documenting their "take" in the recovery process. He asks that all Hs "takes" be considered in recovering resources, and the understanding that they are not all equal. Chair Tharinger agreed that an open discussion will aid in overall transparency for salmon recovery.

## **HABITAT WORK SCHEDULE**

Erik Neatherlin, Department of Fish and Wildlife, presented this agenda item.

Tim Smith introduced Erik Neatherlin and explained that Erik would provide a demonstration on the current Habitat Work Schedule (HWS). Tim noted that Jeanette Dorner, past LEAG Chair, and Richard Brocksmith, current LEAG chair, played a vital role in creating the HWS. Tim explained that projects have become increasingly complex and increasingly large, so the Board needs to help sponsors find a combination of funding sources to ensure project completion. The HWS is one way for sponsors to present project data for a variety of funding agencies.

Erik provided a step-by-step demonstration on how to use the Habitat Work Schedule.

Kaleen asked if the information in the HWS is from RCO's PRISM database. Erik answered that proposed and active projects were batch loaded into HWS from PRISM. Erik noted that there are approximately 5,000 projects in the HWS, although not all projects are available to the public. The project view window uses information from the Nearshore Partnership, PRISM, and Pacific Coast Salmon Recovery Fund (PCSRF) database. Chair Tharinger asked about searching for projects. Erik demonstrated different ways to search for projects in the HWS. Erik compared the format of the HWS to viewing real estate online, where the user can "shop" for projects using different search criteria. Users can search by region, lead entity boundary, Water Resource Inventory Area (WRIA), city, or county. The HWS also provides a page for each lead entity where they can share current projects.

#### Board Discussion:

Chair Tharinger asked who enters the data into the HWS. Erik responded that the lead entities and project sponsors are currently entering data into the Habitat Work Schedule. Harry Barber expressed concern about the HWS adding work to already busy organizations, and about long-term maintenance. Erik responded that the goal of the HWS is to provide a project management tool to assist sponsors, which over time will reduce duplicated efforts. Jeanette added that lead entities hope to have new sponsors download information into the HWS, and then the lead entity can add the information to their three-year work plan.

Chair Tharinger asked about the requirement for new sponsors to add information into the HWS. Erik responded that the group working on the HWS is enhancing the interface with PRISM. Kaleen noted that information could be moved only one direction between HWS to PRISM, but not the other way. Chair Tharinger asked if there was an effort to have the HWS and PRISM interface interchangeably. Erik answered that the next step is to view projects in both systems.

Melissa Gildersleeve asked if the mapping of the HWS is linked to the state's hydro layer. Erik answered that users have access to the Department of Fish and Wildlife's hydrolayer, but it is not linked. Melissa said that she is interested in coordinating efforts with what Ecology is funding to tell a story about water quality to the Federal Government.

Erik concluded his presentation by explaining the status of the project. He is working with National Oceanic and Atmospheric Administration (NOAA), to prevent duplication of efforts with their project tracking database.

Chair Tharinger noted Harry Barber's point, and agreed with Melissa Gildersleeve's comment about the many layers that must be used. He asked if lead entities like the Habitat Work Schedule. Jeanette Dorner responded that the HWS satisfied a longstanding vision for lead entities and added that the lead entities would not use it unless it was helpful. Tim added that in December, the Board will fund 120 projects. The HWS provides data on over 5,000 other projects. He trusts the lead entities judgment in the HWS's usefulness. Erik would like to work with RFEGs, addressing the concerns of their needs. Brian Abbott added that NOAA's data dictionary is changing, and would like to know how grant managers and review panel can use the HWS. Jeanette hopes that the HWS will consolidate the application process and help project sponsors.

### **Meeting reconvened at 8:34 a.m. on July 11, 2008**

#### **REGIONAL ALLOCATION TASK FORCE UPDATE**

David Troutt presented this agenda item.

The Regional Allocation Taskforce's last meeting was held on Tuesday, July 8, 2008. The first meeting was focused on answers to a series of questions circulated to the regions, addressing constraints to the salmon recovery plans. One key issue is capacity support. He noted that the name "capacity support" is difficult for the public to understand, so it may be worthwhile to consider changing the name. The regions explained that alignment of other funding opportunities and timeframes for application and implementation has made it difficult to find innovative ways to undertake large, significant projects. David explained that the taskforce discussed transportation corridors, and railway issues. One question that the taskforce asked was: are permitting issues impacting projects on the ground? Through the work of Chris Drivdahl and GSRO, the Regional Allocation Taskforce made incredible progress regarding the permitting process; and what used to be a major roadblock is no longer an issue. David hopes that the GSRO will be able to assist the regions with the railways in the same way that they worked to improve permitting issues. It was suggested that the Regional Allocation Taskforce focus on principles of a new funding mechanism at the next meeting, scheduled for August 11, 2008.

Jim Fox added that David posed questions about hatchery reform. The efforts to integrate the recommendations of the Hatchery Scientific Review Group (HSRG) are still in the early stages. David said that coordinating the integration of hatchery reform and salmon recovery is a key element to recovery effort's success. The Chair thanked David for his work and noted that the system is working pretty well, and a tweaking of the Board's mission will help.

Chair Tharinger took a moment to introduce Jon Peterson, Fish Passage Coordinator from the Washington State Department of Transportation (WSDOT) who represented the WSDOT at Friday's Board meeting.

## **DISCUSSION OF PROGRAMMATIC FUNDING**

Jim Fox, RCO Special Assistant to the Director and Rebecca Connolly, RCO Board Liaison, presented this agenda item. (See notebook item #11 for details.)

The SRFB awards most grant funds for on-the-ground habitat protection, restoration, and assessment projects brought to the Board through the competitive lead entity processes. However, the Board often is asked to provide funding outside of its annual grant cycle or to implement congressional earmarks; these requests are generally referred to as "programmatic" contracts. Due to the increase in these types of requests and awards, the Board may want to consider establishing application and selection policies, processes, and criteria to bring more discipline to the process.

Rebecca Connolly and Jim Fox presented data about current Board funding sources and the trends in funding for "programmatic" contracts. The powerpoint presentation provided background data to establishing policies, processes, and criteria for awarding grants outside the annual lead entity based grant cycle.

### **Board Discussion**

Harry Barber asked about funds going directly to Regional Fish Enhancement Groups (RFEs). Jim Fox responded that the Department Fish and Wildlife fund RFEs.

Jim Fox urged the Board to explore the option of placing limits on programmatic funding and creating policies for the types of programs to fund. Jim asked the Board if they would like to establish a way to prioritize funding, place limits on the funding, or determine a timeline.

Craig Partridge stated that the data Jim and Rebecca presented was very helpful. The Board often hears that Board funding is only a piece of larger packages of program funding. Craig noted that if the Board is weighing funding in comparison to other sources of money, they might want to consider how heavily programs are relying on the Board's funding.

Chair Tharinger agreed, and referred to the conversation with the Bonneville Power Administration (BPA) at the May Board meeting, noting that regional organizations rely on Board funds to supplement power council money to complete projects. The Chair noted that the presentation will help the Board make its case for supporting the costs of "human capital" to complete projects. He noted that the board was initially created to fund salmon recovery projects; the human capital infrastructure is one of the reasons for the Board is success. Bud Hover added that the Board must be careful to not become a funding source for agencies that should be seeking funding from the legislature or another place. The Board must keep their goal of salmon recovery in mind. Chair Tharinger agreed with Bud and noted that in this tough budget year, the Board will have to be careful with funding program infrastructure and projects.

Tim Smith noted that historically the legislature's intent was to have the Board take on some of the role of funding programs, and assist agencies in recovery efforts. From the perspective of an agency representative, Tim said that he feels wedged between the legislature telling agencies to go to the Board for funding and the Board telling agencies that they fund only projects. Chair Tharinger replied that the past Chair was reluctant to get involved in agency budgets, but he feels it is an important issue. The Chair would like to find a better way to frame the interaction between the budgets. He asked if the process would be better served to have the regions, agencies, lead entities meet and discuss their baseline needs and establish a budget line, separate from the grant funding.

Bud Hover asked if Governor Locke's intention was to have the Board fund agencies' programs in addition to salmon recovery projects. Bob Nichols responded that when the Board was created, the legislature wanted the Board to have the authority to use their discretion in how to fund salmon recovery, through projects or programmatic.

Craig Partridge noted that historically the Board has made careful, responsive decisions with programmatic funding. He asked whose job it is to take on this issue on a more comprehensive level. Craig does not think the Board needs to rush into answering this question. Tim Smith added that the process would benefit from the Board identifying what they need to make this process work efficiently. He agrees with Craig that it has felt a bit opportunistic for agencies to ask the Board for funding, but changing the current process would take a strategic planning effort to find ways for agencies to be successful.

Harry asked how aggressively agencies have sought out programmatic funds outside of the Board and noted that there seem to be a number of other funding sources. Chair Tharinger suggested determining the percentage of funds dedicated to programmatics to establish a more predictable process. In the past, the Board has suggested a grant cycle for programmatics. Chair Tharinger asked Jim Fox to consider what kind of policy recommendations are needed from the Board.

Bob Nichols asked Jim Fox what is encompassed by programmatics. Is monitoring considered a programmatic, although it is a required program by the federal government? Jim Fox answered that programmatics are funds that do not go through the lead entity process. Kaleen noted that monitoring was moved from discretionary to required, due to the Pacific Coast Salmon Recovery Fund (PCSRF) grant.

Bob Nichols asked if funding for harvest and hatchery integration to the recovery process are a programmatic or considered part of the competitive process. Jim responded that the Board's role in salmon recovery is very broad, so there is a wide range of programs and projects that could be funded. Integration of hatchery reform is now part of the recovery plan, and regional organizations are considering adding elements of the Hatchery Scientific Review Group (HSRG). Likewise, the regions' role in monitoring salmon recovery has been facilitation and advocacy, and they will need funding to handle the data management issue.

Bob added that the Monitoring Forum could be helpful in answering some of the programmatic questions and give guidance to the Board. He wanted to ensure that harvest and hatchery issues are not forgotten by salmon recovery organizations, and noted that if the Board could signal that money is available for reform, it would demonstrate an all H integrated effort. Bud Hover added that as the Board moves forward, and recovery plans are implemented, perhaps the Board ought to look at a creating specific round for non-project related actions. Harry Barber noted that he favors the Board continuing to fund habitat, instead of correcting mistakes of hatcheries that are now in reform.

David thanked Jim Fox and Rebecca Connolly for the presentation. He asked the Board if they were ready to have a discussion on strategic planning, and determine if the Board is willing to take on full recovery plan actions, including hatchery reform and harvest issues, and if so, what would the Board fund.

Chair Tharinger noted that the Board needs to go to regional organizations to have this discussion, and ask them about their core needs. Bob Nichols asked if Steve Martin, Council of Regions (COR) Representative, or Jeanette Dorner, Lead Entity Advisory Group (LEAG) past Chair, if they had any suggestions to the Board. Steve Martin noted that he feels that the LEAG, COR, the Board, and RCO should have a thorough discussion. Jeanette agreed.

Chair Tharinger asked when the Board needs to have this discussion. Kaleen responded that contract expiration dates are driving the timing of the discussion. Chair Tharinger requested that RCO staff draft a discussion paper to LEAG and COR before the next Board meeting. Tim Smith added that the discussion will help guide monitoring dollars, providing a discretionary number compared to project or competitive number.

Bob Nichols asked if water quantity and water quality would be one of the integrated issues as part of the recovery plan. Steve Martin noted that in the Snake, water quality and water quantity directly connect with fish productivity. Jim Fox added that at the Policy Summit, agencies discussed the need to do a better job of being clear about how money is being spent to the legislature.

Chair Tharinger asked if the core needs were separated in the state budget process, and placed back in agency budgets, that needs could be parked within the agency budgets. Kaleen added that in this budget year, the chances are slim that agencies will be able to take on additional requests.

## **2009-11 BUDGET REQUESTS**

Kaleen Cottingham, Recreation and Conservation Office (RCO) Director, and Jim Fox, RCO Special Assistant to the Director presented this agenda item. (See notebook item #12 for details.)

The Recreation and Conservation Office submits its 2009-2011 biennial budget

(operating and capital) to the Office of Financial Management in early September 2008. The Board must decide on the amount of state funds to request in the capital budget for salmon grants, the Family Forest Fish Passage Program, and Puget Sound projects.

Kaleen Cottingham asked the Board to provide feedback on the RCO's request, on behalf of the Board, for this year's state budget. The Board discussed strategies for how to approach the overall budget requests for the RCO in the upcoming biennium.

#### Board Discussion:

Kaleen noted that the Board will need a minimum of \$16.5 million for the required match for the Pacific Coast Salmon Recovery Fund (PCSRF) if we receive \$50 million (\$25 million per year). Kaleen explained that budget staff at the Office of Financial Management (OFM) noted that this is not the year to make large asks, but rather to request an amount that agencies actually need. Kaleen noted that this year's budget is a "carry forward" number, and OFM advises not to ask for additional programs.

Chair Tharinger asked what happens if the budget picture changes in the next six months, and the Board has asked for too little. Kaleen noted that they could use the supplemental budget to adjust.

Tim Smith noted the PCSRF funding is capped at \$25 million, and suggests requesting a number above \$18 million. Kaleen noted that it is difficult to predict PCSRF funds in the future.

Jim Fox drew attention to the chart on page 2 of the 2009 – 2011 Biennium Budget Decisions memo outlining an overview and of what may be included in the regional recovery plans implementation schedule for the upcoming biennium. The chart shows what the regions' see as a potential need for implementing the recovery plans.

Harry Barber noted that he found it difficult to be comfortable with an \$18 million request, when the hatchery issue has not been resolved. He worried that \$18 million would not be adequate. Bob Nichols referred to Phil Anderson's hatchery presentation, asking Tim Smith if the hatchery reform request would be included in RCO's request. Tim responded that the Board should request \$18 million for habitat projects exclusive.

Chair Tharinger explained that considering previous requests and actual appropriations, the Board should ask for more than \$18 million, somewhere between the \$42 million RCO asked for last year, and the \$18 that they received.

Chair Tharinger noted that he does not want to submit a number that is too low. He also wants to show that the Board has been responsible and shown restraint in the requests. Kaleen asked the Board what kind of organized structure of citizens groups, state agencies, and regional organizations would advocate to the legislature for a \$22 million dollar request. Carol Smith added that requesting a large number placed Kaleen in a difficult situation as the one who must justify the request. Bob agreed with Carol, thinks that a "carry forward" budget request is a responsible decision, and respects the

current financial forecast. Bob asked the Board to look into hatchery reform and monitoring within the recovery plans to find additional funds.

Chair Tharinger noted that the Board must show fiscal prudence in the budget requests; it supports a long-term responsible recovery infrastructure. David suggested the Board ask for a large amount, and make a bold effort in asking for what it really takes to save the salmon. Bob noted that the Board is operating a very large and very real budget, and it is important to consider that other organizations with different causes are seeking the same funds with the same passion. Harry Barber asked what the harm is in asking for somewhere in the range of \$30 - \$42 million. Kaleen responded that asking for more than the responsible amount she has been advised to request would put the entire agency, including other boards under greater scrutiny.

Tim Smith noted that \$18 million is insufficient, and the request needs to reflect two messages. First, the Board is not keeping up with recovery expectations, and second, the Board needs to make it clear that they understand and are mindful of the budget shortfalls. David cautioned the Board that the match to the federal funds is not a cap, but rather a number to secure the federal dollars. He urged the Board to make a statement in what the salmon truly need.

Bud Hover **MOVED** to have RCO staff determine a specific amount based on the \$90 million requested by the United States Senate and Washington State's match, to include in Salmon Protection and Restoration Projects line in Resolution #2008-011, the Salmon Recovery Funding Board 2009-11 Operating and Capital Budget Requests. Chair Tharinger **SECONDED**.

Chair Tharinger, Bud Hover, and Harry Barber voted in favor of the motion. David Troutt and Bob Nichols opposed.

Motion **APPROVED** 3-2. (Note: this motion and approval was subsequently modified by the Board. See page 19)

Craig Partridge explained and advocated that the Family Forest Fish Passage Program (FFFPP) is the most efficient program for barrier removal for habitat opened. It is also an excellent example of interagency coordination, through the Department of Natural Resources (DNR), the RCO, and Department of Fish and Wildlife. Considering the norms of prudence, Craig explained that the program is deserving of an increase. He noted that there is room in the legislature to continue the trend of increased funding. DNR is open to receiving support, quantitative or non-quantitative for the FFFPP program.

**Bob Nichols MOVED** to acknowledge the Board's value and supports the continuation of the Department of Natural Resource's Family Forest Fish Passage Program. Hover **SECONDED**.

Motion **APPROVED**.

Tim Smith referred to the previous motion and said that he had determined the requested number to be \$18.5 million for Salmon Protection and Restoration Projects.

Harry Barber **MOVED** to change the increase from \$18 million to \$24 million. David Troutt **SECONDED**.

Bob Nichols and Bud Hover stated that they opposed the increase in funds to be requested.

Chair Tharinger, Harry Barber, and David Troutt voted in favor of the increase. Bud Hover and Bob Nichols opposed.

Motion **APPROVED** 3-2.

Kaleen initiated the Puget Sound Partnership discussion about whether to support their budget request.

Public Comment:

Joe Ryan, Salmon Recovery Manager for the Puget Sound Partnership testified that that Puget Sound recovery is about 85 percent salmon recovery, which is a large expense. The reality is that the budget is grim, which he has reported to the recovery council. Although they are trying to work within the context of the bleak fiscal year, the Partnership needs at least \$120 million per year for 14 watersheds and a regional chapter from the capital budget. The Partnership is approximately \$60 million short per year of their operating needs. They have not decided on the budget request, but it will likely be in the range of \$40 – \$70 million. An affirmation without a number would be welcomed.

Bob Nichols asked for a sense of the salmon portion that was routed through the Salmon Recovery Funding Board in last budget round. He asked Joe how the money from an additional grant round would be dispersed, and if the Board would have a role. Joe responded that he would hope that the RCO and Board would be willing to work with the Partnership. Chair Tharinger asked if the statute establishing the Partnership speaks to the dispersion, or if that is a decision of the Leadership Council. Joe responded that he is unsure, but the Puget Sound Partnership would like statutory support. Chair Tharinger responded that RCO could manage the grants, and the decision on the allocation would be outstanding. Kaleen added that the allocation is the same as was used in the last SRFB round. Joe answered that a formula will be used for 2009, but it is still to be determined. Bob Nichols noted that the Board may be bumping into the criteria problem, and it may need to be revisited

Bob Nichols **MOVED** to support the Puget Sound Partnership and its Recovery Council in the request for Puget Sound Acquisition and Restoration dollars, and the Board will

participate in any way that the Leadership Council and legislature agree to distribute the dollars. David Troutt **SECONDED**.

Motion **APPROVED**.

### **Lead Entity Operational and Administrative Support, Lauri Vigue**

Since 1999, the Washington State Legislature has supported the funding of the lead entity administrative program managed by the Washington Department of Fish and Wildlife (WDFW) with grants provided through the RCO. Lauri described their budget for the upcoming biennium (FY 2009-2011) and explained a request for an additional \$1,235,000. The majority of the increase reflects the need to fund capacity for the lead entities. WDFW's proposal for additional funding of \$1,235,000 is based on legislative appropriation of \$3,250,000 for fiscal year 2007-2009.

Since the inception of the lead entity program, the facilitation role of the lead entities has grown significantly. A survey conducted in 2007 by WDFW found:

- 90% of the lead entities reported substantial increase in time and resources necessary to support regional and statewide salmon recovery coordination;
- 50% of the lead entities reported substantial increases in resources spent on facilitating local processes for project funding requests; and
- Many have also experienced significant increases in travel costs as they have responded to the need for increased coordination both within their areas as well as with regional and statewide salmon recovery processes.

David Troutt asked Lauri if the request has gone through Lead Entity Advisory Group (LEAG) review. Lauri responded yes. Carol Smith asked if the Board is the sole source of funding for the program. Lauri responded that the program also receives funding from Puget Sound Acquisition and Restoration (PSAR) funds.

Kaleen asked Lauri if they are asking the RCO to carry the request forward in their budget request or asking the Board to increase programmatic funding. Tim clarified that the request will be included as an RCO request. Kaleen speculated that the funding request will most likely be directed to programmatic funding by the Office of Financial Management.

Tim explained that historically, lead entity operational and administrative support funds were requested by WDFW, but allocated to the RCO. This year's request is to have the funding requested through RCO. Chair Tharinger asked Jim Fox to explain the nature of the request. Jim Fox clarified that the original lead entity appropriation went through WDFW. In later years, the legislature moved the state portion to RCO. WDFW has requested additional funds several times, but the requests have been rejected. Kaleen asked Jim if the money is general fund money or bond money. Jim responded that the state money is general fund, but the federal portion is from the capital budget.

Public Comment:

Ed Bowen, Citizen at Large from North Pacific Lead Entity

Currently, his lead entity will come up \$3,500 short by the end of this year. He would like to see the money increase \$23,000 to do outreach and better reflect what it will take to recover in the basin. Ed would like to tackle the agricultural piece of salmon recovery in his watershed. The lead entity is in need of \$4,000 to get through the year, and would appreciate any Board funds to assist North Pacific Lead Entity daily operations.

Bob Nichols is concerned about the finger pointing between funding human capital and funding projects. This issue also relates to the priorities of the Board's overall strategic plan. Bob also mentioned new sources of funding for the Board's work on habitat, such as mitigation banking, to expand the amount of resources for habitat.

David Troutt **MOVED** to approve the request for increase of the \$1.235 million in the decision package of the Recreation and Conservation Office's budget request. Hover **SECONDED**.

Bob Nichols **MOVED** to amend the motion to acknowledge the Board's value and supports the continuation of the program, but to remove the financial amount included in the original motion. Harry Barber **SECONDED**.

Chair Tharinger explained that there are two issues on the floor, the first is the risk of the Governor's office responding to the request by directing the RCO to fund the lead entity operational and administrative activities out of the same funds used for projects. The result would be fewer project dollars, but sustaining the human capital. A second option is to add the program in the programmatic funding discussion. Kaleen added that if the RCO submits a request for the lead entity program, she would need a number to submit with the RCO's budget in September.

Amendment **APPROVED**.

Original Motion **APPROVED** as amended. Chair Tharinger abstained. (Note: this motion and approval was subsequently modified by the Board. See page 24)

Bob Nichols noted that the discussion was not an easy one, and encouraged Lauri Vigue and the Board to find innovative and creative ways to get money on the ground for Lead Entity Operational and Administrative Support.

Public Comment:

Jeanette Dorner, LEAG Representative

Jeanette would like to make the needs of lead entities clear to the Board. There is an urgent need for providing funds for lead entities, but many lead entities are struggling to continue and finish projects. Jeanette asked the Board create a process for maintaining programs.

Chair Tharinger asked Jeanette to consider the dire economic state for the Governor requesting funds. If the Board chose to make a request, at this point, it would be irresponsible. The Board must make this argument when the legislature is in session,

and convey a succinct report of the needs. Chair Tharinger noted that it was a tough decision, but not the end of the discussion. Jeanette clarified that lead entity support would be built into the larger discussion of salmon recovery. Chair Tharinger agreed, and noted the need for putting together a better, more consistent story.

Tim Smith added that he was surprised with the Board's action. He is concerned the Board is sending a mixed message by increasing the initial funding request, but by not providing a number to increase the human capital piece of lead entity support. Harry Barber added that there is no guarantee that the Board will receive the requested amount. Bud Hover added that by declining to support the funding does not mean that the Board rejects the program. David noted that he has heard that lead entities are on the verge of losing people and that puts the salmon recovery infrastructure in jeopardy. Chair Tharinger disagreed with David, and clarified that the Board is not discounting the need of lead entities. Bob Nichols said that he must consider the \$2.5 billion shortfall in the budget, but the Board needs to work on maintaining the entire salmon recovery effort.

#### Public Comment:

John Sims, Lead Entity Coordinator WRIA 21

John explained that unlike most lead entities, he was hired by the Quinault Indian Nation. If this funding does not go through, there will be resignations, and salmon will be affected. There is immediacy to this issue that cannot wait until later in the year. The Board needs to discuss maintaining the current structure. The funding increase is not about expanding the program, but rather maintaining what is in place. John noted that this cut will directly impact his activities as a lead entity coordinator. John asked the Board to decide whether the salmon will be saved or not.

Chair Tharinger told John that these comments need to go to the lead entities' legislators, and make them aware of their needs. John asked the Board if there is a lobbyist for salmon recovery. Harry Barber explained that the Regional Fish Enhancement Groups have a lobbyist. Bud Hover clarified that the Board is not the legislature, and although we can request funding, there are no guarantees to what the Board will receive.

### **VETERANS CONSERVATION CORPS**

Mark Fisher and Ed Bowen, Veterans Conservation Corps, presented this agenda item. (See notebook item #13 for details.)

Veterans Conservation Corps (VCC) was established in 2005 to work with veterans who have Post Traumatic Stress Disorder, but was expanded to include all veterans who were honorably discharged. The program is focused on workforce development. The work is an excellent outlet for former soldiers who are accustomed to working outside, and is a way to get veterans active and involved. Mark Fisher explained the Veterans Academy programs at local community and technical colleges. The program provides training, education, and certification in environmental restoration, and is funded by the

VCC. Ed Bowen asked the Board about incentives for using veterans in their projects and how to get the word out to have lead entities to utilize veterans.

Mark finished the presentation by asking the Board about job opportunities for recently trained veterans in natural resources jobs.

Board Discussion:

Chair Tharinger asked Brian Abbott about getting the word out to lead entities and project sponsors. Brian noted that salmon grant manager Jason Lundgren has worked with Ed Bowen, and agreed it is a great concept. Chair Tharinger suggested increasing the match for projects that use a veteran in the project. Bob Nichols noted that he would like to see the Board find a niche for veterans to work with the Board. Chair Tharinger agreed and would like the Board to support the program.

Ed Bowen brought up the expense of providing liability coverage for the veteran volunteers and workers. Brian Abbott noted that Regional Fishery Enhancement Groups cover the liability.

Bob Nichols and Chair Tharinger discussed the possibility and constraints of offering stipends for volunteers. Many local recovery organizations have small budgets and simply cannot afford to provide volunteers with stipends, yet the Board agreed that the workforce development aspect of the program is important in integrating former soldiers into society and the field of natural resources.

Bob Nichols asked about the indirect support and if it would include contractor support for veterans. Jim Fox agreed that staff would explore that as well as liability issues for policy considerations.

## **CONTINUED BUDGET DISCUSSION**

State Agencies provided brief overviews of their budget requests for the 2009-11 biennium.

- Recreation and Conservation Office – Kaleen Cottingham, Director of the RCO highlighted a request for the Recreation and Conservation Funding Board that will be carried forward, as well as requests from the Biodiversity Council and the Invasive Species Council.
- Department of Ecology - Melissa Gildersleeve noted that Ecology is struggling to put a cap on permit fees. The agency is looking at the Model Toxics Control Act (MTCA) account. The MTCA money creates a question of whether the money should go to education, prevention, or project clean up.
- Department of Natural Resources (DNR) – Craig Partridge noted that DNR primarily pursues salmon recovery through implementation of three habitat conservation plans – state owned upland forest lands, forest practices regulatory program, and submerged lands. DNR is in cut mode instead of adding to the budget. DNR recognizes that federal funding from the Board is decreasing, and adjustments are being made.

- Conservation Commission – Carol Smith explained that the Conservation Commission is managing over 2,000 on the ground projects. The current budget is \$25 million. The major programs funded are water quality, Conservation Reserve Enhancement Program (CREP), and livestock. The dollars for CREP are leveraged from a different federal source, and funded through Department of Agriculture, so it is not competing with the Salmon Recovery Funding Board for money.
- Department of Transportation (WSDOT): Jon Peterson explained the WSDOT's current and projected Fish Passage projects. The decline in gas tax revenue will negatively impact funding for the fish passage programs.

Bud Hover asked the Chair to continue the discussion on lead entity operational and administrative support (item #12). Bud Hover **MOVED** to support a request for an increase of \$1.235 million for lead entity support from the general fund. David Troutt **SECONDED**.

Harry Barber asked how the \$1.235 will be distributed among the lead entities. Tim Smith explained that the initial goal was to provide one FTE for each lead entity, but there is also an understanding that lead entities have different needs based on their ability to recruit funds from different places. There will be a discussion among lead entities to identify those with the greatest need. Bob Nichols suggested that the Board be very clear in explaining where the funds are allocated, equally among lead entities or giving to the lead entities in need of the most funding. Tim noted that there are two steps; the first was determining how much money was needed to successfully fund the lead entities statewide, the second will be to divide the money among the 27 lead entities based on need

Bob Nichols stated that he will oppose the motion for the same reasons he explained earlier. Bob also would like to see local sponsors address the Board about their capacity to do projects, rather than the lead entities. Bud Hover warned the Board that refusing to fund the lead entities could harm the institutional knowledge within the Board's funding structure, particularly among the lead entities. Bud also noted the inequitable practice of allowing Puget Sound to request a range of \$40 to 70 million and refusing the lead entities \$1.2 million.

Bob noted that this morning's vote was supporting the lead entities, but leaving the budget numbers to be determined.

Bud Hover, David Troutt, and Chair Steve Tharinger voted in favor of the motion. Bob Nichols and Harry Barber opposed.

Motion **APPROVED** 3-2.

## **WASHINGTON COASTAL SALMON RECOVERY REGION**

Nancy Allison, Executive Director of the Washington Coast Sustainable Salmon Partnership, and Lee Napier, Lead Entity Coordinator for Washington Resource

Inventory Area (WRIA) 22 and 23, presented this agenda item. (See notebook item #14 for details.)

Nancy discussed the process of regionalizing the Washington Coast and provided an overview of each of the WRIAs in the Coastal Region. The region realized that coming together for the recovery in the coastal region would be beneficial to the sustainability of all salmon, not just recovery of ESA listed stocks. The regional structure is best defined as a federation with strong lead entities. Nancy concluded by outlining the region's goals for 2008-2009:

- Develop a work plan and budget for remainder of the biennium.
- Finalize the interlocal agreement.
- Create steering committee for formation of policy board.
- Finalize and formalize the policy board.

Board Discussion:

Carol Smith asked if the Coast plans to develop a regional plan among the lead entities. Nancy answered that developing a plan and distributing it within the upcoming months. Craig Partridge asked Nancy what the organization's opinion is on the Lake Ozette sockeye recovery plan that is being developed. Nancy answered that the region's role is to support the lead entities in the effort, and do whatever they can do to help. Lee Napier added that from the lead entity level, having a regional organization will complete the lead entity structure and serve as a model for other regions.

## **MITIGATION BANKING**

Jim Fox, RCO Special Assistant to the Director and Megan Duffy, RCO Policy Specialist, presented this agenda item. (See notebook item #15 for details.)

Megan Duffy presented an overview on the background and definition of wetland and conservation mitigation banking.

- Wetlands mitigation banking is the practice of private entrepreneurs and public entities restoring, creating, enhancing, or preserving a wetland so that they (or others) can use it to compensate for future development-related impacts to other wetlands located within the same watershed.
- Conservation banking is the practice of restoring, enhancing, or preserving non-wetland habitats or habitats for rare species. It is similar to mitigation banking because it is done to fulfill expected future obligations to compensate for negative impacts to the habitats or species.
- Mitigation and conservation banking policies and practices currently are being evaluated in the "Mitigation That Works" forum, administered by the Department of Ecology. Other agencies are evaluating other new approaches to conservation.

Jim Fox provided the Lacamas Watershed case study as an example of mitigation banking. He posed the question to Board: How can Board funds work in concert with

mitigation and conservation banking and other emerging conservation tools, such as transfer of development rights and ecosystem services markets?

Board Discussion:

Carol Smith noted the incongruent practices of wetland mitigation banking and preserving agriculture land. The Conservation Commission is concerned about the number of banks and the sacrifice of agriculture lands for wetland mitigation banking.

Chair Tharinger noted that the banking process needs to be modified for it to be useful, and the Board needs to look forward to the next generation of banking as a tool in salmon recovery.

Kaleen Cottingham noted issues with the Washington Wildlife and Recreation Program (WWRP) and explained that the Recreation and Conservation Funding Board has undertaken policy and potential legislative changes to limit or remove mitigation banking from WWRP.

Tim Smith asked Jim if it is feasible for mitigation banking to work in concert with Board funds. Jim answered that he does believe it is possible, but there needs to be a more strategic plan to invest the dollars in the watershed in a way that is beneficial to the total ecosystem.

Bob Nichols asked Jim if the Board can tap into mitigation banking funds as a new source of money for salmon recovery. Jim responded that the Board has not, and noted that the funds were created because of past environmental degradation.

David Troutt cited the pipeline agreement as an example of a way to leverage mitigation dollars in a more meaningful way. Chair Tharinger referred to David's example as an excellent collaboration and cited the troubles in the term "banking."

Chair Tharinger asked about ongoing programs that are currently taking place in Washington and noted that the Board is interested in the process.

Harry Barber asked Jim about complications and questions about where to spend the money. Jim answered that one of the questions is where to invest the funds. Jim explained that it's been debated whether to keep the project money in the watershed where development took place or in a different area completely.

Bob Nichols asked about next steps so the conversation is not lost. Jim noted that Puget Sound Partnership is examining the issue of mitigation banking and the Board can use the Partnership's information to build a shared approach to the issue.

## **NUTRIENT ENHANCEMENT**

Hal Michael, Washington Department of Fish and Wildlife, presented this agenda item. (See notebook item #16 for details.)

Harry Barber introduced Hal Michael of the Department of Fish and Wildlife (WDFW), and Tony Meyer from the Lower Columbia Fish Enhancement Group. Hal presented information about the role of nutrients in ecosystems, the effects of loss of nutrients, nutrient enhancement strategies and case studies, and suggestions for improvement. He explained that the enhancement process begins with salmon carcasses. Salmon serve as the keystone species for Pacific Northwest watersheds by providing nutrients for fish, trees, and mammals. Hal provided a series of graphs and charts illustrating the positive impact that nutrient enhancement has on salmon productivity in recovery efforts. He noted that nutrient enhancement is most effective in a quality habitat. Hal concluded his presentation with the suggestion that recovery organizations use government and academic resources to identify what a functional watershed/ecosystem looks like, and coordinate an enhancement plan to coincide with the restoration and maintenance of a healthy watershed.

#### Board Discussion:

Chair Tharinger asked Hal if there is a regulatory process for placing carcasses into streams. Hal answered that the WDFW went through the State Environmental Policy Act (SEPA) process, working closely with the Department of Ecology, to develop a process in compliance with the Clean Water Act prior to placing the carcasses.

Harry Barber explained that he thinks nutrient enhancement is an economical way to increase habitat capacity and assist in salmon recovery. Bob Nichols added that the power councils have expressed interest in nutrient enhancement. Melissa Gildersleeve pointed out concerns of public perception and response with carcass placement and permitting issues.

Bob Nichols suggested a presentation next year on the nutrient enhancement report from the WDFW. Brian Abbott noted that it would be a great topic for the Project Conference in April 2009.

#### **BOARD STRATEGIC PLAN**

Jim Fox, RCO Special Assistant to the Director and Megan Duffy, RCO Policy Specialist, presented this agenda item. (See notebook item #17 for details.)

Kaleen asked that the strategic plan agenda item be postponed until the October Board meeting, after the larger strategic plan discussion. The Board agreed to postpone the agenda item.

#### **BOARD WORK PLAN AND DATES/LOCATIONS FOR 2009**

Kaleen Cottingham, RCO Director, presented this agenda item. (See notebook item #18 for details.)

Kaleen referred to the proposed schedule in the work plan. The board discussed the schedule and decided to add a meeting to October of 2009, increasing the total number of meetings from four to five. Chair Tharinger agreed with the proposed idea of four meetings in Olympia, and one in the Lower Columbia.

The Chair asked the Board and audience for suggestions and feedback on the meetings. Bob Nichols encouraged presenters to give shorter presentations to ensure an adequate amount of time for discussion. Chair Tharinger and Kaleen Cottingham agreed, and noted that the goal for presenters is to be informative and mindful of the Board's time.

Brian Abbott asked if the Board would like a tour for the October 2008 meeting, and the board agreed that they would like to go on a tour.

Chair Tharinger thanked the board and presenters for their time and concluded the meeting.

**ADJOURN**

Meeting adjourned at 3:13 p.m.

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Steve Tharinger, Chair

Next meeting:       October 16 – 17, 2008  
                          Olympia, WA