

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

As revised and adopted at the April 30, 2004, Regular Meeting

February 19 & 20, 2004

Thurston County Fairgrounds Expo Center
Lacey, Washington

Day 1

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Larry Cassidy	Vancouver
Brenda McMurray	Yakima
Jim Peters	Olympia
Steve Tharinger	Clallam County
Tom Laurie	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources
Ed Manary	Designee, Conservation Commission

CALL TO ORDER:

Chair Bill Ruckelshaus opened the meeting at 12:38 p.m.

Director Laura Johnson provided an overview of the two-day meeting.

REVIEW AND APPROVAL OF MINUTES

Steve Tharinger **moved** to approve the December 2003 meeting minutes. Jim Peters **seconded**. Minutes **approved** as presented.

MANAGEMENT AND STATUS REPORTS

Director's Report

Director Laura Johnson provided this report.

- Reminded Board about need to file Public Disclosure Commission (PDC) reports by April 15.
- Congress approved the Commerce Department budget, which included Pacific Coastal Salmon Recovery Funds (PCSRF) for FFY04. Although we do not know the exact amount yet, target number is still the same as estimated: \$26-28 million. The language underscores the need for a recovery plan, which is very important to continued funding. Larry Cassidy noted that we in the Pacific Northwest do a terrible job in showing those in Washington, D.C., what we do with the funds and the number of people participating. Director Johnson handed out key excerpts from the federal language. Idaho is included in the 2004 funding (\$5 million) and probably for a full amount in future years.

Brenda McMurray talked about the budget summary sheets that were sent out around December 23, 2003, showing past SRFB funding. She would like to see the matching fund

amounts and volunteer activities included in these charts to be able to give credit where credit is due. This has brought many people together to work on salmon recovery efforts across the state.

Financial Report

Debra Wilhelmi presented this agenda item.

- The recently released revenue forecast was positive.
- Congress over-appropriated the '04 budget so there will be a rescission in the funding amounts.
- The Family Forest Fish Passage (FFFP) program has received 96 applications in its first grant round. About 50 have been entered into PRISM. Several were not eligible for funding or did not have passages on the land.
- The item put forward in the supplemental budget for the Salmon Recovery Funding Board was for Phase 2 of the Natural Resources Data Portal. This request was not included in the final Governor's supplemental budget.
- Support for Federal Salmon Response funding was included in the Governor's supplemental budget. This request would provide a communication liaison between Washington State and Washington, D.C.
- The Governor's budget request also included funds to continue the work that began last year on the Biodiversity report.
- Staff met with BPA three times to demonstrate PRISM and talk about uniform monitoring protocols and data exchange.
- Reminded the Board to look at IAC's web page as new information is posted daily, including the draft 5th Round application forms.

Projects Report

Rollie Geppert presented this agenda item.

- Application workshops are scheduled for mid-March through mid-April. Also developing a schedule for the Review Panel to meet with lead entities to discuss strategies.
- 698 projects have been funded to date, with 42% of those closed and completed.

Steve Tharinger asked if extending the timing for the 5th Round helped sponsors get caught up on projects, as was the hope. Rollie noted that it is hard to tell if that is the case or not.

Ed Manary asked about completion times for the projects and if it was a permitting problem. Rollie said he hears fewer complaints about the permitting process.

Legislative Report

Jim Fox presented this agenda item.

- Few bills concerning SRFB this session. HB2869 limiting land acquisitions died in committee. SB6682, and its companion House Bill, died in committee also. This would have put the Snake River Board into a legislatively recognized Board.
- Still waiting on details for the budget and proviso on funding of acquisitions.

Ed Manary asked if the Governor's office has taken a position on the Snake River Salmon Recovery bill. Jim reported that it has not.

Chair Ruckelshaus reported that he has been meeting with individual members of the legislative committees that are key to the SRFB. The concerns that several legislators had at the beginning of the session are being addressed. The need for recovery planning has been explained. Need to get recovery plans finished and work closely with local, state, and federal governments. It is essential that we demonstrate our progress and where we plan to go in the future.

The Chair discussed how, as we learn more about the watersheds and get strategies in place, the Board gets less money to spend on more good projects. When the Board is unable to fund all the good projects, sponsors get upset and talk to their legislators, so the legislators hear from unhappy people. Some people want the funds to go to healthy stocks, but it is the Board's job to help listed fish. The concerns about acquisitions come from areas requesting these funds. We need to step back and look at the whole process – anywhere along the line there may be complaints, but if we don't all support the process we won't have any process to support.

Staff reported SRFB projects have generated close to \$60 million in matching funds.

Ed Manary asked about the timeframe for congressional concerns. The Chair commented that Rep. Dunn is retiring so we will be losing that connection. Sen. Patty Murray has also been a supporter. It is vitally important to have someone in Washington, D.C., to pay attention to the process.

Monitoring Report

Bruce Crawford presented this agenda item.

- Updated the Board on monitoring efforts. Request for proposal bids due on the 27th of February. Will score and interview the top five candidates. Hope to have a contract in place by early April.
- Projects proposed for monitoring have been identified and accepted – 35 projects from Round 4 covering all project types. Acquisitions were chosen from all the funding cycles. Letters have been sent to sponsors and lead entities of identified projects and so far there have been no negative responses.
- Bruce talked about his presentation to the Oregon Watershed Enhancement Board (OWEB) and provided a copy of the PowerPoint.
- Hired Joy Paulus as new Natural Resources Data Coordinator. Joy will be managing the data portion of Pacific Northwest Aquatic Monitoring Partnership (PNAMP) and helping to pull together state databases. She will also be working with Bruce on the Salmon and Watershed Information Management Technical Advisory Committee (SWIMTAC) which meets monthly.
- Bruce plans to give a PNAMP monitoring presentation at the next SRFB meeting.

Director Johnson complimented Bruce and Steve Leider on the work they have been doing on monitoring efforts, especially on the Columbia River.

There is a joint meeting with OWEB scheduled for April 29 in Vancouver. This meeting will focus on monitoring efforts in both states.

Larry Cassidy stressed that the Columbia Basin coordinated monitoring effort is a big deal and we need to get the information out to the public. Should try to get the Governors to attend this joint meeting. Chair Ruckelshaus agreed. Director Johnson will work on this.

Subcommittee Report

Brenda McMurray presented this agenda item.

Jefferson County Conservation District's Salmon Creek Restoration Project (IAC 00-1176R) – Cost increase request of \$30,900 is above the amount that the subcommittee can approve and needs Board response.

Steve Tharinger **moved** to approve this request. Larry Cassidy **seconded**. The Board **approved** this request as presented.

1999 Federally Funded Projects – There are still 44 active GSRO projects, 22 are ready to be completed before the 2004 deadline. The remaining 22 have suggested scope changes or project changes that meet the criteria or, in some cases, the funds will be used for regional recovery planning administration.

Staff recommendations:

1. Accept the proposals of the lead entities and sponsors to use the remaining GSRO grants, with the understanding that our priority is to complete unfinished GSRO grants as available, or if not available, for a 4th Round project with at least a medium benefit and medium certainty rating.
2. Place any remaining funds, and any additional funds that may arise as of April 1, 2004, but no later than June 30, into regional recovery contracts that qualify as either local governments or federally recognized Indian tribes, in the area the funds arose. We currently estimate this to range from \$150,000 to \$300,000.
3. Delegate to the Director full authority to execute project changes and fund placements as proposed, with a report at the next SRFB meeting session.

Board Discussion:

Board needs to look at spreadsheet before making a decision. Will revisit this agenda item on day two of this meeting.

GOVERNOR'S SALMON RECOVERY OFFICE REPORT

Chris Drivdahl presented this agenda item.

Talked about a letter from Bob Lohn of the National Oceanic and Atmospheric Administration (NOAA) endorsing Washington's salmon recovery planning effort. This is a historic event as this is the first time anyone in the U.S. has received this kind of endorsement.

The GSRO is having quarterly review meetings with the regional groups. Have had two meetings so far: Hood Canal Coordinating Council (HCCC) and Lower Columbia Fish Recovery Board (LCFRB). Received compliments from NOAA on how readable our recovery plans are. LCFRB's first draft recovery plan will be released in May 2004.

Chris talked about the “Dozen Dials” method of depicting the salmon story and what is being accomplished in a way people can understand. One of the dials shows the number of volunteers engaged in watershed restoration and salmon recovery activities. So far more than 100,000 volunteers have been counted, but the total number will be larger than that.

LEAG REPORT

Shirley Solomon and Brian Walsh presented this agenda item.

A workshop is scheduled for April 16 to discuss LEAG’s function. LEAG does not represent lead entities but is asked about what the lead entities are thinking. All lead entities will be invited along with IAC and WDFW staff. SRFB members are welcome to attend.

Chair Ruckelshaus always felt that the LEAG was the place the Board could go to get the lead entities’ point of view. Could provide multiple points of view if there are differing feelings toward the issues.

Shirley noted that getting ready for Round 5 has been very taxing on everyone. Concerned about lack of lead entity representation on the Issues Task Force (ITF).

Steve Tharinger supports a broader lead entity representation and believes that would be helpful.

Shirley suggested the Board receive a presentation by a lead entity at each meeting.

UNRESOLVED FIFTH ROUND ISSUES

Chair Ruckelshaus reviewed the process for the two day meeting. Need to keep the process simple.

Director Johnson introduced potential Review Panel and Technical Advisory Team members in the audience: Jeanette Smith, Steve Leider - GSRO, Pat Powers - WDFW, and Tom Robinson.

Steve Tharinger reviewed the ITF process and issues that they looked at during the January meeting.

Steve discussed the need for better communication. Many of the comments he received led him to believe the Board needs to communicate the process more clearly.

Jim Fox discussed the 5th Round process so far and how the process has changed from past grant cycles.

As of the last SRFB meeting there were seven unresolved issues:

- 2% base
- Criteria
- Evaluation of lists
- Allocation of second increment
- \$23.2 million restoration minimum

- FY05 funds
- Definitions of benefit and certainty

Public comments received, as well as comments from LEAG and SRFB meetings, have been incorporated into the final draft document.

Jim Fox went over Figure 1 in the memo – Fifth Round Allocation of SRFB Funds flow chart. Highlighted the issues, the ITF recommendations, and items needing decision at this meeting and two items asking to be deferred.

Shirley Solomon then provided LEAG response to the seven items:

1. Allocation funding – General feeling of lead entities at the LEAG meeting was no support for 4% and little support for 2% – both are too high. Project money should be distributed more evenly.
2. Project list fit to strategy – Multiplier of two is too high.
3. Review Panel scores – Leaned toward approach three.
4. Benefit and Certainty – General agreement that they are acceptable and lead entities could work with them.
5. Technical advisors – No suggestions.
6. Last 10% – Concern on how the Board would use this money. What is the criteria on how to divide these funds?

The Chair thanked Shirley for her feedback and comments.

Brian Walsh discussed the regional prioritization and that the LEAG meeting was not attended by any of the regional boards.

Discussed the scoring and how to work through this issue.

The Chair commended Steve Tharinger and the ITF on working through these issues – a monumental task.

Chair Ruckelshaus cautioned the need to be careful in placing a new process on the whole system at once without testing it first. What the Board is trying to do is to fund good projects that help the fish. The Board needs to have some discretion in the funding. There is not enough funding for all the projects.

The role of the Review Panel is good but it needs to provide information to the Board to give the Board discretion in their decisions. The Review Panel guides, helps, and informs the Board, but the Board makes the decisions and needs to have flexibility in the decision-making process. The Board needs to work as fairly and as wisely as it can.

Ed Manary asked about the additional 2% being allocated. Steve Tharinger replied that there was no allocation in previous rounds for multiple lead entities that submitted one project list. Ed believes there may be unintended consequences of multiple lead entities gaining an unfair advantage in funding amounts over the single lead entities.

Jim Fox explained that the Upper Columbia decided to submit three separate project lists this grant cycle since they haven't developed a process to strategically combine the three lists into one.

The ITF recommends the allocation of 2% to lead entities whose geographic area encompasses a salmon recovery region and sets priorities across the region. With this definition only Lower Columbia and Snake fit the criteria.

Discussed the pros and cons of the 2% allocation and rationale on how to encourage combining of lists in a regional area.

Larry Cassidy reminded the Board that they will not make everyone happy and the funding is for the fish.

Jim Peters was looking at this as an incentive – not a disincentive. Pointed out that there are two different entities here – lead entities and regional planning groups.

Jeff Breckel, LCFRB, sees two issues in this topic. One is the value added in the decision-making and benefit to the fish and the other is providing incentives. Snake and Lower Columbia bring a unique process to the Board by working with multiple species and multiple watersheds. Feels the allocation is not an entitlement, but an incentive and recognition of the effort provided by regional boards. Their work is more complex and difficult than it would be if it were a single WRIA.

Brenda McMurray said the Board is ready to support regional planning and has provided funding for these efforts. Yes, the Lower Columbia could split into different lead entities, but they have received special recognition and funding due to their working together.

Jim Peters appreciates what the Lower Columbia and Snake River do, but hears the same concerns and issues from the smaller lead entity areas.

Chairman Ruckelshaus reminded everyone that once we get a recovery plan in place this whole process will change. Was encouraging to give the 2% incentive.

Steve Tharinger said the ITF recommendation is to give a 2% incentive to the Lower Columbia and the Snake. Steve **moved** to adopt the ITF recommendation. Larry Cassidy reluctantly **seconded** the motion (thinks it should be 4%).

Discussed the definition of a lead entity and who would be eligible for this additional 2%. Allocation of 2% of total would be divided by the regions that are approved.

Brenda is voting no on this but wanted to clarify why. Has been fully supportive of the regional efforts the Board has funded in the past and hopes to find a better way to provide incentive for a combined project list.

Steve Tharinger suggested changing the wording to "A lead entity or lead entities that submit a single project list".

The Chair was not in favor of changing the wording.

Tim Smith said there is a cap on the number of lead entities that can be created and WDFW is trying to give incentives to lead entity areas to combine.

Steve Tharinger went back to the original motion as presented. Larry Cassidy **seconded**. Brenda McMurray **opposed**. Board **approved** the ITF's recommendation that 2% be allocated to the lead entity areas meeting the criteria (Lower Columbia and Snake).

Criteria

Jim Fox presented the criteria for use by Review Panel technical advisors to determine if a project is technically sound.

The Chair does not like the wording "The approach does not appear to be appropriate". Discussed removing the word "appropriate" or rewording the criteria.

Brenda McMurray asked about the wording "The project may be in wrong sequence with other habitat protection, assessments or restoration actions in the watershed" and if that is going beyond technical review and on to the strategy review.

The Chair wants to make sure the Board is informed no matter who it is from.

Jeanette Smith believes it is more of a technical question.

Larry Cassidy **moved** to approve the technical review and evaluation of projects criteria as proposed by staff and removing the word "appropriate". Steve Tharinger **seconded**. Motion was **approved** as amended.

Benefit and Certainty

Board will review revised definitions tonight and discuss on day two of the meeting.

Fit to Strategies

Chair Ruckelshaus feels there is a need to be flexible in the way the Board looks at the strategies. He does not want the strategies to encourage gaming.

Jim Fox informed the Board that staff did a "test drive" of an earlier version of the criteria and scored past projects and it worked pretty well. Test drive was fairly encouraging.

Lead entities do not want the Board to evaluate the overall strategy since they hadn't gotten the guidance document until too late in the process.

Discussed how the Board would evaluate the lead entity strategies and what criteria to use. Craig Partridge agreed that the Board doesn't want false precision and to preserve a certain amount of discretion concerning the experimental nature of this process.

Brenda McMurray believes there are enough checks and balances to get the best projects and we know enough about most of the lead entity histories and strategies that if the projects don't fit that history or usual strategy, the Board will be able to see that.

Brenda is okay with evaluating the strategies. The Chair wants flexibility. Need to be precise on what the Board wants from the Review Panel. The purpose of the Review Panel is to inform the discretion for the Board, not exercise it for them.

The Chair doesn't want a numerical rating and suggested using excellent, good, fair, etc.

Steve Tharinger discussed the need to be transparent on how the Board reached the decisions.

Shirley Solomon, Brian Walsh, and Jeff Breckel provided their thoughts on the ranking process.

The Chair does not want to use number values. Would prefer to keep it more general.

Steve Tharinger would like to use excellent, good, fair, and not specific.

Director Johnson asked if the definition of "excellent" was met.

Craig brought up two points to talk about tomorrow:

1. Do we need to add something back in to make sure that we're not rewarding a specific, but wrong, strategy,
2. The community criteria.

Meeting recessed for the day at 6:02 p.m.

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

February 19 & 20, 2004

Thurston County Fairgrounds Expo Center
Lacey, Washington

Day 2

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Larry Cassidy	Vancouver
Brenda McMurray	Yakima
Jim Peters	Olympia
Steve Tharinger	Clallam County
Dick Wallace	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources
Ed Manary	Designee, Conservation Commission

CALL TO ORDER:

Meeting reconvened at 8:35 a.m.

Director Laura Johnson discussed the meeting scheduled for March 30 & 31 – appears to be a lack of quorum. Joint meeting with OWEB is scheduled April 29 in Vancouver. Could add an additional day, Friday, April 30, for the next regular meeting.

Larry Cassidy **moved** to cancel March 30 & 31, 2004, and add April 29 & 30, 2004. Brenda McMurray **seconded**. Board **approved**.

SUBCOMMITTEE DECISION

Copies of memos dated December 30, 2003, and February 18, 2004, and the GSRO Funds History were handed out.

Brenda McMurray explained the situation with the GSRO funds and proposed recommendation. February 18, 2004, memo outlines the proposal.

Larry Cassidy wanted to confirm where the money would go and how the unexpended money would be spent. One project was identified that was not on the 4th Round list. Although the GSRO funded projects were not reviewed as thoroughly, the funds need to go to projects that have been reviewed. The Yakima project needs to go back to the tribe to see if they have an on-the-ground project that has been through the SRFB review process.

Craig Partridge asked about the \$1 million from Snohomish County. Where will this money go?

Tara Galuska, SRFB staff, explained that the lead entity gave a detailed list including two acquisition projects from the 4th Round that ranked high, medium. Funds for planning will be divided between the two lead entities that covered the area at that time.

Steve Tharinger asked about the Muckleshoot project in Pierce County. Staff tried to contact sponsor with no response.

Larry Cassidy is concerned to see funding going to recovery planning in Snohomish County. Director Johnson explained that the 1999 Federal money was available for administrative or planning projects so is within the original scope.

Brenda McMurray **moved** to approve the recommendation as outlined in the February 18, 2004, memo. Steve Tharinger **seconded** with the understanding to look at the Yakima project. Brenda accepted the amendment. **Approved** as amended.

The Chair welcomed Dick Wallace back to the Board. Dick said he was glad to be back.

UNRESOLVED FIFTH ROUND ISSUES (CONTINUED)

Steve Tharinger commented on the ITF efforts that took a lot of information and put words to a process that hadn't been clarified for a number of rounds.

Steve Leider appreciated the ITF process and the discussion yesterday. The work of the ITF and others had been done and brought forward and now the Board needs to go through the process and decide how they want to make the final decisions. The Review Panel may want to use the guidance and set up their own system, then give the Board a qualitative review of the strategies and project lists so they can make their own decisions.

Jim Kramer made two points:

1. Three objectives to delaying the start of the Fifth Round – project sponsors could move forward on completion of projects, ITF issues, and lead entities to engage in the recovery process.
2. The third item has not been talked about as much. Looking at strategies is very important to the recovery process and need to encourage discussion on what is in the strategies.

Jim Kramer noted one frustration for the ITF was talking about numbers – need to keep the discussion on strategies not numbers. In Puget Sound, doing a lot of recovery work at the same time as the SRFB review process. Need to make sure these activities are better coordinated. Suggested that the Review Panel meet with technical review teams and regional people to make sure everyone is getting the same instructions.

The Chair agreed that the different groups need to get together to make sure everyone is talking the same language.

Jim Fox reminded everyone where the Board left off yesterday. Seven unresolved issues with two being deferred to a later meeting.

Two decisions made yesterday:

1. Two percent funding set aside for lead entities prioritizing projects at a regional level.
2. Criteria on identifying projects that are not technically sound, with one issue still needing some revision.

Three unresolved issues:

1. Board approval of revised definitions of benefit and certainty.
2. Review Panel's evaluation of lead entity's list of projects fit to strategy.
3. Allocation of funds across the lead entity lists.

At yesterday's meeting, the Board suggested a revision in the wording of the third bulleted criteria on page 16 of Attachment 2. Rollie Geppert proposed the following: "The methodology does not appear to be appropriate to meet the goals and objectives of the project". The Board agreed this language was much more clear.

Brenda McMurray **moved** to approve the criteria as amended. Steve Tharinger **seconded**. Board **approved**.

Fit to Strategy

Craig Partridge believes the Review Panel could use the wording at the bottom of pages 18-20 of Attachment 3 to talk through the strategies with the citizen and local review panels to review the strategy and identify the priorities in the area.

Brenda McMurray doesn't feel the Board is that far away from identifying how to review the strategies.

Ed Manary suggested changing the third bulleted item to read "Are one or more stocks in need of recovery assistance prioritized for habitat restoration and/or protection?"

Dick Wallace would like to add the wording "Is it technically or scientifically sound and linked to recovery?"

Tim Smith noted that the sequence of the questions provide a logic that he is comfortable with.

The Chair believes these are the criteria in our guidance document and they make sense to him.

Public Testimony:

Amy Hatch-Winecka, lead entity coordinator for WRIA 13 & 14, feels the strategies are developed with a wide array of constituents and to change for one grant cycle is not something they would do. Is fine with the point values as they rank their projects. They share this information with the SRFB technical panel. She would like to see the Board use as much detail as possible when evaluating projects, but still give flexibility. Believes the Board is in place to make informed decisions.

The Chair is still not comfortable with point values. He agrees with Amy's response in that lead entities won't change their priorities to meet the criteria set forth – he wants to make sure it doesn't even look that way.

Dick suggested adding a purpose statement under the Specificity and Focus of Strategy on Page 17 of Attachment 3.

Director Johnson agreed with Dick's suggestion to add a purpose statement. Need to look at the rest of the pages since this information will be included in Manual 18 that will be used for the 5th Round.

The Chair would suggest delegating to staff to work on the wording to remove specificity.

Jim Fox would like to include the question "Is there a clear and justified rationale for establishing these priorities?" to all the categories.

Craig suggested using the wording "justifiable" instead of "justified".

The Chair thinks "supportable" is a better word than "justifiable".

Community Issues

Brenda McMurray prefer to use excellent, good, or fair rating – not down to the lower rankings.

Jim Fox suggested just defining "excellent" and leave it at that.

Craig Partridge explained ITF's thinking behind this suggestion.

Brenda noted that in the future we will need community support at all levels and the Board needs to start working toward this now. How to define community interest is difficult.

Larry Cassidy agreed that defining of community interest is difficult – everyone is in favor of salmon until someone comes in to their area to make changes. Thinks this should be at the local lead entity.

Steve Leider believes the ITF tried to put words to an issue that has been discussed. Sometimes there is a good project and the community doesn't feel one way or another about it or a lower ranked project that will start the discussion for doing a more strategically sound project down the road.

Jeff Breckel has struggled with the community issue. In the area of identifying community interest and concerns the LCFRB would rank lower, even though they have done an excellent job working with the communities. A better question might be "Does the strategy have an effective process for weighing community values?"

Dick Wallace feels there should be better alignment of what is good for a community to what is good for fish. Building community support so all are working toward the salmon recovery goal.

Shirley Solomon, Skagit Watershed Council, admits that community support has been a confusing issue to her. They have not done social science work but have done excellent physical science work. They have an excellent strategy and willing landowners. First we need to define what community is – she would define it as those who love salmon, but that is a very small number of people in the Skagit area. She is afraid that adding community

interest is a way to lower the bar and give those who do not want to do anything a foot into the system. Feels that the community support issue is daunting.

The Chair noted that some lead entities might not have the capacity to deal with the community issue. That's why regional recovery planning is so important.

Tim Smith's believes community interest is embedded in the process in that we ask for a prioritized list from a local community group. He doesn't see any added benefit to including community issues to the criteria. Not sure the cost is worth the benefit to have the lead entities document what they have learned by working with their local watersheds. We undersell how different this grant process is from other processes.

Jim Fox explained that it is clear from the statutes that community issues must be considered in the lead entity's prioritization of projects. Citizens ultimately make the decision on the ranking of projects that come to the SRFB. The goal is to provide some guidance to lead entities and some criteria for us to use in making these decisions.

Chair Ruckelshaus feels the problem is that each lead entity has a different level of empowerment. If the lead entity is empowered to make these community interests then it is okay to ask these criteria, but if they aren't then we shouldn't be asking these questions.

Larry suggested changing the wording of the criteria to read, "The strategy has an effective process for identifying community issues and concerns". The Chair agreed and would add the words "and weighing" after "identifying".

Craig is okay with this but suggests not weighing the community issue as heavily as the others.

Jim Fox suggested changing the wording to read "The review panel shall also consider community issues".

Larry Cassidy made a **motion** to approve as amended to say, "The strategy has an effective process for identifying and weighing community issues and concerns." Steve Tharinger **seconded. Approved** as amended.

Public Testimony:

John Sims, lead entity contact for Queets/Quinalt, noted that despite the size of their lead entity and the small amount of funding received, they have been successful in pulling together a combined technical review/community group. The group has a 2:1 ratio of scientific versus citizens from a wide variety of organizations. A lot of citizens want a way to say something and it is very much a process in development. They will have a non-numerical method for ranking their projects. They are trying their best and think they will be able to do better in the future. Agrees with Tim Smith that this is a very unique process. They have an "operating procedures" document that will be an appendix to their 5th Round information.

Evaluation Criteria for “Specificity of Strategy” and “Fit to Strategy”

The Chair would like a decision made on how to weigh the various issues – numerically or qualitatively. He prefers the qualitative scoring criteria and would use fewer categories than five.

Jim Fox noted the ITF decided on the specific criteria and numerical values as it would ultimately have to stand up to legal scrutiny.

The Chair prefers using the terms excellent, good, and fair – he would not include poor since that would not be motivational.

Larry Cassidy feels a poor rating could be motivational.

Steve Tharinger heard much support from the lead entities for a numerical rating. He would go with four levels, the fourth category being non-specific or zero.

Larry Cassidy would go with four. Jim Peters is okay with four.

Steve Tharinger made a **motion** that the Review Panel use excellent, good, fair, and poor ratings as the criteria for evaluating strategies for specificity and fit. Larry **seconded**. Board **approved**.

There was discussion on the Review Panel’s evaluation of project lists.

The Chair noted that the Board has asked the Review Panel for a narrative review of the lists and not rely on ratings alone.

Craig Partridge feels the Review Panel shouldn’t have to spend a lot of time on the lower ranked projects that were unlikely to be funded by the SRFB.

Tim Smith would like to expand the funding portfolio to help lead entities find the best funding source for a particular project. The lead entities may want to have a longer list to have projects ready for other fund sources.

Brenda asked if the Board would be provided with two different evaluations for fit to strategy and strategy specificity or if there would be just one number, or even more numbers.

Craig responded that there would be one number quantified from two different scores.

Brenda asked how the lists will be portrayed by the Review Panel.

Craig explained it is the Review Panel’s job to evaluate the strategies and project lists. It is staff’s job to arrange those project lists in a way they can be matched to funding.

Jim Fox pointed out that the Review Panel will have four ratings for criteria for specificity of strategy and two for fit to strategy. Not planning to give Board a combined rating, unless the Board decides that is what it wants.

Brenda wants the Board to receive the six separate rating factors to make their decisions without staff analysis.

Craig likes the six separate ratings – if staff sees obvious problems then they could point it out. There should be a moderate bias toward excellence as opposed to bias toward equity.

The Chair does not feel it is the Review Panel's job to consolidate the scores. He hopes they will give some explanation of how they reached their decisions.

The Chair confirmed that they will be using Approach 3.

Larry would like to give lead entities that only receive partial funding an opportunity to find more cost share.

The Chair talked about the superior work taking place in several watersheds in the Puget Sound. Work is being done by local people to come up with a recovery plan that encompasses our definition of strategy and beyond. Would like someone from these lead entities to come and make a presentation to the Board.

REVIEW PANEL

Director Johnson reviewed the process on coordination of the Review Panel and technical advisor members.

Candidates for Review Panel:

- Steve Leider, as senior liaison role
- Jeanette Smith, consultant, Seattle
- Tom Robinson, consultant, retired DNR
- Karl Dennison, USFS, Olympia
- Will Hall, consultant, Golder and Associates, Seattle
- Bruce Smith, consultant, retired WDFW, Spokane

Steve Leider, GSRO, will serve as the senior liaison to coordinate the efforts between GSRO, Regional Groups, Review Panel, technical advisors, and the Board.

Candidates for technical advisors:

- Steve Toth, consultant, Seattle
- Jeff Dillon, US Army Corps, Seattle
- Phillip Desilus, USFS, Forks
- Gary Kettish, USFWS, Spokane
- Richard Brocksmith, Hood Canal Coordinating Council, Quilcene
- Tom Slocum, Skagit Conservation District, Mt. Vernon
- Pat Powers, WDFW, Olympia

Larry Cassidy would like to have someone on the technical advisor team from Southeast Washington that understands the agricultural issues. He will try to come up with a name.

Review Panel's first session and orientation will be March 11, which will also include technical advisors. Steve Tharinger and Shirley Solomon will also attend the meetings, if possible.

Brenda would like to have the technical review team included in the discussions.

Benefit and Certainty Definition

Rollie Geppert reviewed the definition of benefit and certainty.

Received verbal support from last LEAG meeting. Most comments received were positive.

Brenda McMurray is confused on how lead entities will use the benefit and certainty criteria.

Rollie responded that it will be of assistance to the lead entities in determining technical soundness of their projects.

Tim Smith noticed inconsistencies in the use of the term “watershed processes” in the nearshore documents and offered to work with staff to correct.

Steve Tharinger **moved** to adopt the definitions of benefit and certainty. Brenda **seconded**. Board **approved**.

FIFTH ROUND POLICY MANUAL ADOPTION

Laura reviewed the manual adoption process and the sections of the manual.

Section 1 – No changes in section one

Section 2 – Changes on pages 8 & 9, 13. (Comment: Brenda would like a direct website link to the guidance document.) Ineligible – added #19 no single monitoring item on page 14

Section 3 – PRISM requirement for all applicants

Section 4 – submittal information

Section 5 – updated through today’s meeting decisions

Section 6 – post approval – contract basis has not been changed

Appendix A – benefits and certainty, adopted today

Appendix B – lead entity project list form

Appendix C – will be updated through decisions at today’s meeting

Staff needs to update the draft Manual to conform to decisions made at today’s meeting and then get it out for final review.

Brenda made a **motion** that staff incorporate amendments into manual and proceed to develop final draft for review and approve for use within the next two weeks. Steve Tharinger **seconded**. Board **approved**.

Brenda discussed Q&A sheet included in packet and stressed that the Review Panel look at full list and not at incremental levels.

COUNCIL OF REGIONS

Jim Kramer and Jeff Breckel updated the Board on what is going on with recovery planning.

The first draft recovery plan will be ready in the spring of 2004. Would like to come back to the Board to show what is in the plan, hopefully in June.

Jim Kramer noted that the 14 Puget Sound watersheds have been asked to deliver draft chapters by June 30, 2004, and then Development Committee of the Shared Strategy will combine into the draft composite document by early fall with the final due June 30, 2005.

All critical area ordinances are due in the same timeframe and 2514 plans are due to be delivered during the same time. Shoreline management plans are not due but changes will still be able to be incorporated into the final recovery plan.

The Council of Regions expects recovery plans that are technically sound and also have the local commitment for implementation.

Jeff Breckel, Lower Columbia Fish Recovery Board, discussed the challenges of moving into the next phase of recovery planning. Have come up with a baseline recovery scenario that will satisfy the minimum requirements. Goal is March 4 to have the baseline information completed. Working on a draft alternative to exceed the baseline levels.

The Chair reiterated that recovery planning is very important to the process.

Brenda McMurray would like to be informed of interesting and educational items in the recovery planning process.

Craig Partridge is really looking forward to seeing the recovery plans and how they will help the process of salmon recovery.

Steve Tharinger, on behalf of the ITF, voiced his appreciation to the Chair and the Board members for good discussion in the last two days of meetings.

The Chair expressed his thanks to Steve and the ITF for all their hard work.

The February 2004 meeting was adjourned at 1:11 p.m.

ATTEST SRFB APPROVAL:

William Ruckelshaus, Chair

Date

Future Meetings: April 29, 2004 – OWEB/SRFB Joint Meeting,
Watershed Education Center, Vancouver, Washington
April 30, 2004 –SRFB Meeting,
Watershed Education Center, Vancouver, Washington.