

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

July 13, 2007

Room 172 NRB
Olympia, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

Larry Cassidy (Acting Chair)	Vancouver
Steve Tharinger	Clallam County
Joe Ryan	Seattle
David Troutt	Dupont (afternoon session)
Carol Smith	Designee, Conservation Commission
Dick Wallace	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources
Barb Aberle	Designee, Department of Transportation

CALL TO ORDER:

Acting Chair Larry Cassidy opened the meeting at 8:40 a.m.

Larry reported that this is his last meeting as a board member.

REVIEW AND APPROVAL OF MAY 2007 MEETING MINUTES

Joe Ryan **MOVED** to approve the May 2007 meeting minutes. Steve Tharinger **SECONDED**.

The Board **APPROVED** the minutes as presented.

PARTNER AGENCY REPORTS

Director Johnson reported this is the first meeting staffed by the "Recreation and Conservation Office" or RCO formerly known as the Interagency Committee for Outdoor Recreation (IAC) and her second to the last SRFB meeting. The recruitment announcement for the new director is out with an application deadline of August 9. The interview panel should be making its decision in early September. Three names will then go forward to the Governor for her selection and announcement of the new RCO Director.

Director Johnson then reviewed the SRFB agenda for the day.

MANAGEMENT AND STATUS REPORTS:

Financial Services Report:

Mark Jarasitis was available for question on this agenda item but presented it as a written report since the full budget discussion will be presented under agenda item 6. (See notebook item #2b and two handouts for details.)

Project Management Report:

Brian Abbott, Marc Duboiski, and Mike Ramsey presented this agenda item.

Brian provided a verbal update informing the board that there is now an OGM Senior position and that Marc was promoted into this position. Brian will be hiring a new OGM to fill the position vacated by Marc. Brian also discussed the need for more training for project sponsors in the future.

Marc and Mike provided a projects presentation highlighting 3 projects:

- #04-1498D - Shale Creek Fish Passage Project, WDFW
- #04-1606N and #05-1539R - Hofer Dam Fish Passage Project, Walla Walla County Conservation District
- #00-1128 - South Fork Chinook and South Fork Riparian, Whatcom Land Trust

Governor's Salmon Recovery Office (GSRO) REPORT

Chris Drivdahl presented this agenda item. (See notebook item #3 for details.)

Chris reviewed issues in the memorandum including an update on permit streamlining. A request has been submitted to National Marine Fisheries Service (NMFS) to include National Fish and Wildlife Foundation (NFWF), Estuary and Salmon Restoration Program, Washington Wildlife and Recreation Program (WWRP) Habitat Conservation Account and Riparian Protection Account categories, and Aquatic Lands Enhancement Account (ALEA) restoration category fund sources into the permit streamlining process. NMFS has received the request and Chris expects to hear from them shortly.

Also have heard from NOAA and NMFS that Upper Columbia River steelhead have lost the "threatened" designation and are now back to "endangered." The implication is that the new permit streamlining process will no longer be able to be used for projects intended to support these fish. Puget Sound doesn't need to use the consultation process for the newly-listed Puget Sound Steelhead this first year.

Although they are not at the meeting, she thanked Steve Martin and Bob Bugert for their great work on the GSRO. They have both taken new positions.

Dick Wallace also thanked them for their work. He asked if there will be a way to track the permitting process and see if it really works.

Chris reported that the Joint Aquatic Resource Permits Application (JARPA) group will be tracking this information and will be tracking the timing of permits.

COUNCIL OF REGIONS (COR) REPORT

Brian Abbott and Chris Drivdahl presented this agenda item. (See notebook item #4 for details.)

Brian provided an update on the status of regional contracts and accountability reporting. GSRO will be developing a template for regional organizations to report on progress of implementing the recovery plans.

Brian will also be encouraging regional organizations to provide updates to the board when board meetings are in their areas.

Chris reported that the COR meeting will be at the end of the month and they have a very energetic agenda for this meeting.

Lee Napier, Grays Harbor Lead Entity, reported on the status of the Coastal Region. This region includes Grays Harbor County, Pacific County, WRIA 20 and parts of 21 and 23 lead entity areas.

The lead entity met with stakeholders and interviewed people in the area. A report on the findings was included in the board notebook.

The group has agreed to become a region called the "Washington Coast Sustainable Salmon Partnership." They have asked the GSRO to recognize them as a regional entity and hope to have this approved by August 1. Their plan is to then develop a request to SRFB for financial assistance which will be presented to the SRFB at the September meeting. The request to SRFB will include a request for two staff (director and support) and inter-local agreement that provides governance structure. There is still a lot of stakeholder work to do.

Steve Tharinger appreciates the work that Lee has done so far. WDFW and GSRO have helped with this effort also and there is still a lot of work to be done.

Lee thanked the RCO and the SRFB for help and GSRO (Chris Drivdahl, Phil Miller, and Steve Leider). She reported that the other Regional offices also shared information and it really helped the Coast with their processes.

LEAD ENTITY ADVISORY GROUP (LEAG) REPORT

Jeanette Dorner presented this agenda item. (See notebook item #5 for details.)

Jeanette highlighted a couple items in the written report:

- There is concern with the 2007 Grant Round and funding. The lead entities would like the funding levels to be determined as soon as possible.
- LEAG has been working with WDFW on a supplemental budget request for additional funds for the lead entities.

Steve Tharinger asked what hurdles there are for additional funds for lead entities?

Tim Smith discussed the Legislature's historical reluctance to fund administrative costs. WDFW has put the request in four times now and still haven't gotten budget approval. The Legislature is interested in an efficient model for working with watersheds.

When asked what additional funds for lead entities would do to the amounts available for projects, Jeanette responded that LEAG wouldn't want to see fewer funds going toward projects but that she is seeing people at the breaking point without much support at the moment and is afraid we will start seeing a lot more turnover without additional assistance.

Steve Tharinger noted that SRFB should argue that lead entities are part of the natural resource infrastructure. It is important and warrants investment.

Dick Wallace thinks the more you can talk in the business terms the better it will resonate. He asked what the amount of increase would be.

Tim reported that it WDFW is doing an analysis. They are also looking at other potential funding sources. No specific amount has been determined.

Joe Ryan noted that most groups (counties, tribes, or cities) have wish lists going into the supplemental budget process and for this to work the lead entities will need to get this request on multiple "wish lists" to make it happen. It's not that easy since there are other really compelling and needed items.

The LEAG had also discussed a need for another Salmon Conference and would like to see it made a regular event. LEAG is very supportive of a 2009 conference.

Jeanette announced and introduced new lead entity coordinators Charlene Beam (Okanogan Co/Colville Tribe LE) and, assistant for Alex Conley, Angie Begosh. LEAG is looking at ways to support the new lead entity coordinators. WDFW is developing a notebook explaining the lead entity process and also setting up a mentoring system.

The LEAG has finalized a new organization and structure for LEAG. They now have all lead entities represented at the table with an Executive Committee and have nominated the four new members committee members:

- Jeanette Dorner (Nisqually) for another term
- Kathleen Werr (Pend Oreille)
- Charlene Beam (Okanogan Co/Colville Tribe)
- Alex Conley (Yakima)

Officers will be elected at the August LEAG meeting.

07-09 BIENNIUM BUDGET

Mark Jarasitis presented this agenda item. (See handouts for details.)

Mark reviewed the handouts with budget amounts.

Director Johnson explained this is handout covers the next two years (07-09 biennium). The numbers are estimates so could change depending on many things such as federal funding level. The board could spend all the funds available (approximately \$28 million) this grant cycle and depend only on federal funds for the next grant cycle or split the amount over the two years. The numbers represent a fairly historical funding cycle. The staff recommended splitting over the two years.

Mark reviewed the second handout which illustrated funding levels to each of the regions.

Staff would like a simple motion to approve the proposed spending plan.

Joe Ryan **MOVED** to approve spending plan. Steve Tharinger **SECONDED**.

Steve asked if there are any questions or comments from the audience members.

Jeanette Dorner spoke in support of the proposal and thanked the director and staff for their work on this. She would like to provide an option for lead entities to use the full amount if they find they need additional funds this year.

Tim Smith, looking out to FFY '08, appreciates the conservative amount in the handout. He believes there is a possibility of receiving more next year but it is better to be on the conservative side. There are a lot of projects out there and want to make sure the capacity isn't being over stressed.

The Board **APPROVED** the spending plan.

2008 MEETING SCHEDULE

Tammy Owings presented this agenda item. (See notebook item #8 for details.)

Tammy presented a possible meeting schedule and the board discussed optional tours and meeting locations. The Board will approve the 2008 meeting schedule at the September meeting.

MONITORING WORKSHOP AND MEETING UPDATE

Bruce Crawford presented this agenda item. (See notebook item #10 for details.)

Bruce reported that the Governor's Forum on Monitoring is now formalized by the Legislature and named the Forum on Monitoring Salmon Recovery and Watershed Health. The SRFB is now named as a representative on the Forum and need to decide if they want to have a board member or RCO staff as the SRFB designee on the Forum.

Forum is now required to make recommendations to the Governor and the Legislature on monitoring budgets for the agencies. In the past they were encouraged to provide recommendations.

All of the Salmon Recovery Regions are now included as members of the Forum. In the past regional organizations were invited to participate, and did, now they are listed as members.

Bruce provided a review of the monitoring workshop that was held in June. He discussed the "wedding cake" model presented by Stewart Toshach.

Larry discussed his concern with coded wire tags and need for new system.

Bruce noted that it a huge job to tag wild salmon and technologies are changing but with the current code wire process, which has been going on for about 20 years, it is hard to change to a new process.

Out of the Forum Workshop some subgroups were identified to work through the "wedding cake" model.

Larry asked about water quality and if nutrients were discussed. Bruce reported it was focused more on the databases so didn't really talk about the nutrient issue. More work with Ecology and ambient monitoring program is needed to identify how to tie together water quality monitoring efforts.

Another change to the Forum is that the chair will be appointed by the Governor so there will also be changes in the Forum leadership in the next few months.

Steve Tharinger asked about SRFB representative on the Forum and when that decision needs to be made. Director Johnson reported the next meeting is September 11 but with all the changes in leadership it may need to wait until October. She will be at the September meeting and wear the appropriate hat.

Director Johnson reported that Bruce did very good work on the workshop and brought together a good diverse group.

Bruce has appreciated the work with the SRFB and how they are the only group he has worked with that really wants to find the answers.

IMW AND PROJECTS NEEDED IN IMW AREAS

Bill Ehinger presented this agenda item. (See notebook item #10 for details.)

Bill reviewed his presentation and asked for Board guidance on streamlining the process if the budget isn't available to fund the full program.

Director Johnson reported that the idea was to decide the funding at the September meeting.

Tim Smith believes it is important this project gets funded and need to make a commitment to fund the treatment projects and would be reluctant to fund the IMW if it isn't put together as a package to fund the projects also. He would also like to see the differences in the phases of each of the projects and more long range planning.

Steve discussed budget process and would like to see the projects prioritized so if the board needs to make a decision, can do so from a prioritized list.

Carol would speak out in not eliminating the complex since each is important for different components. But she would like to move forward with the budget issue.

This will be a Monitoring Meeting issue for on September 11 to make its recommendation to the SRFB at the September 27 and 28 SRFB meeting.

Early next spring will have a better handle on projects needed and actual costs.

Joe Ryan would like to see the full scope of what the costs would be for the Lower Columbia IMW before committing dollars and to look at alternate sources of funding.

Bruce reported that Bill Ehinger misstated that the Study Plan for the Lower Columbia IMW is paid for by the SRFB, it is actually being developed by the Lower Columbia Fish Recovery Board funded by National Marine Fisheries Service through the RCO and Jeff Breckel has the contract ready to sign.

A similar contract was let with the Yakima Basin Fish Recovery Region and one pending with the Snake River for the Touchet watershed.

Larry Cassidy suggested highlighting what the IMW means to the rest of the state in the future presentations.

NATIONAL FISH AND WILDLIFE FOUNDATION (NFWF) PROJECT UPDATE

Brian Abbott introduced Krystyna Wolniakowski and Cara Rose from the National Fish and Wildlife Foundation. (See handout for details.)

Acting Chair Cassidy praised Krystyna and her work on this project.

Steve Tharinger echoed the chair's comments and believes the comments on the need for stewardship is right on point.

Carol Smith asked if the funding level has increased from the federal government or just reshuffled funds. Krystyna reported they have received a special appropriation of federal funds for the Community Salmon Fund and it has been around \$2 million annually and matched by SRFB funds.

Tim Smith noted that NFWF didn't have to execute this program through the lead entities but did and has led to successes for both programs.

Krystyna believes it was very important to work with the lead entities since they are the experts in the watersheds at the local level. This is the best way to meet the local priorities and get local buy in.

2007 GRANT ROUND

Brian Abbott introduced this agenda item. (See notebook item #7 for details.)

Review Panel Update

Steve Leider, Review Panel Team Leader, provided an update on the activities of the Review Panel.

The Panel started work in mid-May and has met with a majority of the lead entities and sponsors. Earlier this week the full Panel met again to discuss what they have seen so far and how to move forward in the second half of the grant round. The group also met with the Technical Recovery Teams (TRT) and found that most of the Recovery Teams were okay with having a local review, SRFB review, and regional review. Two issues were raised during the meeting: that more information is needed on the process for distribution of Puget Sound funds, and NOAA's continued support of the TRT and their interaction with the SRFB Panel.

Joe Ryan asked about the overlap in processes.

Steve explained how the different regions are set up and the overlap of review processes.

Steve then let the Board know that for the first time the Review Panel had a mid-cycle meeting to look at projects as a full group. They are hoping this will help the process run smoother later in the grant cycle.

Roughly two thirds of the lead entities have submitted project information with about 200 projects. The Panel will continue to meet with lead entities and review projects through this next month. Steve is hoping that this up front work will help better spend the time in the fall to get to answers. There were several projects that if submitted today would be

fine, others needed more information before the Panel would feel they were acceptable, and there were also several potential "projects of concern." Steve thought the biggest group was in the "needs more information" category.

Steve highlighted a few projects:

- Hatchery related projects – water supply for intake - question by Review Panel on how to proceed with this type projects and wondered if the SRFB criteria fits with these projects. May need additional Board guidance on criteria. Brian reported that generally projects like this wouldn't be eligible but through the Puget Sound funds it could be an eligible project.
- Derelict gear removal
- Invasive species – will need further advice or guidance from the Washington Invasive Species Council (WISC) on how to coordinate and what types of projects would be most beneficial.

Puget Sound:

Brian Abbott and Jim Kramer presented this agenda item. (See notebook item #7 and revised Appendix A for details.)

Brian reviewed the issues concerning the Puget Sound funds.

Jim discussed the memorandum he had sent out for to Puget Sound lead entities for comment and the responses he received (See handout for details.). In the memorandum he discussed the 5% for administration and capacity for administration of the funds. Jim reported that the RCO is requesting 3% for administration of the \$40 million and WDFW is requesting an engineering position to review the projects at about \$400,000. He is requesting RCO look at ways to streamline the process as part of the funds it is requesting.

The second issue in the memorandum is watershed match. As he did not have time to do an extensive review of this issue on his own, he hired Evergreen Consulting to interview the watershed groups. The conclusion was that for this first \$40 million, and this grant cycle of SRFB funds, there is match available but it is taking more and more time for the lead entities to come up with the match so may need to look at this for future rounds. Rural areas are finding that sources of match are already tapped out.

Another issue discussed was reporting of match and how the larger the match amount the lower the amount reimbursed on each billing. This is due to the way the SRFB reimbursement process works. The suggestion is to simplify the reporting to only the 15% required and anything above the 15% would be reported separately in the database system.

Brian reported that while updating the manual, staff found several small housekeeping items needing revision. These revisions include:

- Agency name change - Recreation and Conservation Office,

- Puget Sound Allocation – Reference to \$250,000 to Hood Canal for Summer Chum deleted, and
- Veterans Conservation Corps – New language from the last legislative session.

The board is being asked to approve the pink sheet version of Appendix A and the three housekeeping issues.

Steve Tharinger **MOVED** approval of the revised Appendix A and housekeeping issues noted. Joe Ryan **SECONDED**.

Public Testimony:

Jason Griffith, Stillaquamish Tribe, discussed high priority projects in his area. He reported that non-capital projects aren't prioritized in their plan and so they have a supplemental project that isn't on the plan's prioritized list. He wanted to know how to get this project funded.

Acting Chair Cassidy responded that the regional organization and lead entities would need to report on what are the highest priority projects in their plan and decide how they are going to do this.

Discussed that in the traditional SRFB criteria this type of project would not be eligible neither would hatchery or other projects. But, for the Puget Sound funds, the board is opening the criteria just a bit for projects that are in the plan.

Jason reported that this is a project that is down the road in the overall recovery plan.

Jim Kramer reported this has already been discussed at the regional level and they have included language to for this project, and two additional projects, very high regional priorities.

Tim Smith still believes whatever policy that is adopted is that they are statutorily eligible.

Dick Wallace commented that the Capital Budget language clearly lists the need for the Puget Sound Partnership to review the projects before coming to the Board for funding. And, as he looks through this report, there are several different roles included with Puget Sound Partnership, Shared Strategy, or Council. He would substitute Shared Strategy with Partnership or something to clarify the process.

Jim Kramer noted that Dick made a good comment and he has talked this over with Bill Ruckelshaus. He would recommend working with the Partnership and present a process to the Partnership to see what points they want to be involved with this grant round since the original language "RCO will work directly with the partnership who in turn will work with the Shared Strategy and council" doesn't line up for this grant round.

Steve Tharinger wasn't clear about the reserved funds under the design projects and reserving funds for construction phase.

Brian didn't want to hardwire the costs for construction in these projects. He noted the design phase may generate other fund sources. Another details is that construction projects don't have to have the design phase funded through the SRFB. He wouldn't want to limit projects by tying the two issues phases together.

Board **APPROVED** revised Appendix A and housekeeping issues noted.

Director Johnson noted the need to have board approval of administrative cost – 5% lead entities and 3% for RCO and the \$430,000 request from WDFW over the next four years. Joe Ryan **MOVED** approval. David Troutt **SECONDED**.

Acting Chair Cassidy reviewed the motion.

David Troutt questioned if WDFW will be able to account for the funds by the number of projects reviewed.

Tim Smith reported, yes. The agency is concerned with the amount of projects that will be coming to the agency for design and need for additional staffing.

David asked Jim Kramer if the region has considered this and if there is an opinion.

Jim reported that the region has not discussed this but that he has talked to Sara Laborde and Laurie Vique and his understanding is that this position would do upfront work to expedite the projects through the permit system.

David asked if this has to be decided today or if it can be decided at the September meeting.

Larry reported that it could be decided at the future meeting so could wait to make the decision

Joe Ryan **AMENDED** the motion to remove WDFW funding. David Troutt, as the second, **AGREED** with the amendment. Larry Cassidy added the caveat to have this discussed at the September Board meeting.

Barb reported that WSDOT works closely with WDFW and found that they really needed to make sure they work closely with WDFW to meet fish passage projects.

Motion **APPROVED** as amended providing 5% administrative costs for lead entities and 3% for RCO staff.

PUBLIC COMMENT

Martha Parker, citizen from Renton, expressed concern with large woody debris (LWD) in streams as she is a boater and this is a danger. She discussed the death of a person in an engineered log jam built by WDFW and WSDOT. She is requesting the SRFB take into account river flow when developing ELJs and to require deflector logs to keep people out of the jams or place rock barbs before the project.

Larry Cassidy thanked the Board for the time he has spent on the SRFB as this is his last SRFB meeting.

Adjourned:

Meeting adjourned at 2:16 p.m.

SRFB APPROVAL:



William Ruckelshaus, Chair

Acting Chair

9/27/07
Date

Next meeting: September 27, 2007
Natural Resource Building
Room 172, Olympia